

**EXHIBIT E**  
**YEAR 2000 URA - BOECKMAN CREEK BRIDGE**

**From:** [Vance, Jordan](#)  
**To:** [Bergeron, Tami](#)  
**Subject:** Y2000 Letters - Thank you!!  
**Date:** Tuesday, January 9, 2018 11:51:16 AM  
**Attachments:** [Final Y2000 Letters.zip](#)  
[image003.png](#)

---

Taxing District	Specific Attachments	Attachments for All
4-H		<ul style="list-style-type: none"> <li>• A: Year 2000 Urban Renewal Plan Amendment</li> <li>• B: Report on the Year 2000 Urban Renewal Plan Amendment</li> <li>• C: Urban Renewal Area Map</li> </ul>
City of Wilsonville	<ul style="list-style-type: none"> <li>• Draft resolution</li> <li>• Rev Share Agreement</li> </ul>	
Clackamas County	<ul style="list-style-type: none"> <li>• Draft resolution</li> <li>• Rev Share Agreement</li> </ul>	
Clackamas Community College		
Clackamas ESD		
Library		
Port of Portland		
School District	<ul style="list-style-type: none"> <li>• Draft resolution</li> <li>• Rev Share Agreement</li> </ul>	
Service 2 Metro		
Soil Conservation		
TVFR		
Vector		

**Jordan Vance**

Economic Development Manager  
City of Wilsonville

Direct: 503-570-1539

Cell: 503-826-7500

[vance@ci.wilsonville.or.us](mailto:vance@ci.wilsonville.or.us)

City Website: [www.ci.wilsonville.or.us](http://www.ci.wilsonville.or.us)

Economic Development Website: [www.WilsonvilleEcDev.com](http://www.WilsonvilleEcDev.com)

[Facebook.com/CityofWilsonville](https://Facebook.com/CityofWilsonville)



29799 SW Town Center Loop East, Wilsonville, OR 97070

*Disclosure Notice: Messages to and from this e-mail address may be subject to the Oregon Public Records Law.*

**TAXING DISTRICTS CONTACT  
Y2000 URA - BOECKMAN CRK BRIDGE  
SPECIAL MAILING**

	<b>CONTACT</b>	<b>ORGANIZATION</b>
1	Donald Krupp, County Administrator	Clackamas County
2	Laurel Butman, Deputy County Administrator	Clackamas County Clackamas County Extension Services – 4-
3	Director	H
4	Donald Krupp, County Administrator	Clackamas County Library District
5	Tom Salzer, General Manager	Clackamas Soil & Water Conservation
6	Tim Witcher, CFO	ESD Clackamas County
7	Joanne Truesdell, President	Clackamas Community College
8	Bob Cochran, Dean of Campus Services	Clackamas Community College
9	Vince Granato, Chief Operating Officer	Port of Portland
10	Martha Bennett, Chief Operating Officer	Metro
11	Tim Collier, Director Finance and Regulatory Services	Metro
<b>12</b>	<b>Bryan Cosgrove, City Manager</b>	<b>City of Wilsonville</b>
<b>13</b>	<b>Susan Cole, Finance Director</b>	<b>City of Wilsonville</b>
14	Fire Chief Michael Duyck	TVF&R
15	George Peck	Clackamas County Vector Control District
16	Superintendent Dr. Kathy Ludwig	West Linn - Wilsonville School District 3JT
17	Doug Middlestetter, Business Manager	West Linn - Wilsonville School District 3JT

<b>ADDRESS</b>	<b>CITY</b>	<b>STATE</b>	<b>ZIP</b>	<b>MAILED SPECIAL NOTICE</b>
2051 Kaen Road	Oregon City	Oregon	97045	1/9/2018
2051 Kaen Road	Oregon City	Oregon	97045	1/9/2018
200 Warner Milne Rd.	Oregon City	Oregon	97045	1/9/2018
2051 Kaen Road	Oregon City	Oregon	97045	1/9/2018
221 Molalla Avenue, Suite 102	Oregon City	Oregon	97045	1/9/2018
13455 SE 97th Avenue	Clackamas	Oregon	97015	1/9/2018
19600 Molalla Ave	Oregon City	Oregon	97045	1/9/2018
19600 Molalla Ave	Oregon City	Oregon	97045	1/9/2018
P.O. BOX 3529	Portland	Oregon	97208-3529	1/9/2018
600 NE Grand Avenue	Portland	Oregon	97232-2736	1/9/2018
600 NE Grand Avenue	Portland	Oregon	97232-2736	1/9/2018
				1/9/2018
				1/9/2018
11945 SW 70th Ave.	Tigard	Oregon	97223-8566	1/9/2018
1102 Abernethy Road	Oregon City	Oregon	97045	1/9/2018
22210 SW Stafford Road	Tualatin	Oregon	97062	1/9/2018
22210 SW Stafford Road	Tualatin	Oregon	97062	1/9/2018



Date: January 9, 2018

Re: Proposed Year 2000 Urban Renewal Plan Amendment

The Wilsonville City Council is considering adoption of an ordinance to amend the Year 2000 Urban Renewal Plan (Plan) to add a project and increase the maximum indebtedness.

To adopt an urban renewal plan amendment, the City is legally required to send the proposed plan amendment to representatives of overlapping taxing districts. The City Council is required to respond specifically to any written recommendations of the districts. This letter officially transmits to the County Extension and 4-H District the proposed Year 2000 Urban Renewal Plan Eleventh Amendment.

The Wilsonville City Council is scheduled to have a public hearing on the proposed Year 2000 Urban Renewal Plan Amendment on February 22, 2018. They are tentatively scheduled to vote on the proposed Year 2000 Urban Renewal Plan Amendment on at their March 5 meeting. Both meetings are at the City Hall, at 7:00 p.m.

## **Background**

At their March 20, 2017 meeting, the Wilsonville City Council was briefed on the Boeckman Road project, which will cost approximately \$14 million and is located within the Year 2000 Plan Urban Renewal Area (Area) boundary. To sufficiently fund the project through urban renewal, a substantial amendment is required. The City presented the issue of a potential Year 2000 Plan amendment to the Wilsonville Urban Renewal Task Force at its April 24, 2017 meeting. The Task Force unanimously recommended that the Year 2000 plan be amended to include the Boeckman Road project. The Wilsonville Urban Renewal Agency met on December 4, 2017 and voted unanimously to send the proposed amendment out for public review.

## **Proposal**

The Year 2000 Urban Renewal Area, shown in the attached map, consists of approximately 454 acres of land, including rights-of-way.

The following are the key issues in the proposed Amendment:

- This is a substantial amendment to the Year 2000 Plan.
- A new project will be added to the Plan: the Boeckman Dip Bridge. This project will construct a bridge across Boeckman Creek that will improve the safety of Boeckman Road for all modes of transportation and will help facilitate the future development in the Frog Pond area, an area that will add significant new value to the tax rolls.
- The “maximum indebtedness” provides a limit on the amount of funds that may be spent on project, programs, and administration of an urban renewal plan. As a part of the Year 2000 Plan Amendment, the maximum indebtedness will be increased by \$14,509,101 to a total of \$107,196,524.
- The amount of the proposed increase in maximum indebtedness exceeds the authority in Oregon Revised Statutes (ORS) 457 for the Wilsonville City Council to approve on their own.
- The proposed amendment would result in the Year 2000 Plan becoming subject to "revenue sharing" provisions of Oregon Revised Statutes (ORS). However, the City of Wilsonville already "underlevies" annual tax increment revenue for the Year 2000 Plan, through a self-imposed cap of \$4 million in annual tax increment revenue. The City's current approach results in more revenue being shared with overlapping taxing districts than the required statutory formula for revenue sharing. However, as the City's approach is different from the sharing requirements of ORS.
- The Plan, if amended, is projected to result in the continued collection of tax increment revenue through FYE 2023.

## **Impact on Taxing Jurisdictions**

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. The City has projected estimated impacts on the taxing jurisdictions through fiscal year (FYE) 2023, after which point in time the City anticipates terminating the Year 2000 Plan and the collection of tax increment revenue. The remainder of this section describes the key takeaways for the County Extension and 4-H District.

### **Impact on permanent rate levy**

The proposed amendment would result in a decrease in County Extension and 4-H District's permanent rate property tax collections. This is attributable to the length of time that the URA collects tax increment revenue to pay off the Plan's maximum indebtedness. Without the amendment, the URA expects to pay off the Plan's maximum indebtedness in FYE 2020. If the Plan is amended, the URA expects to pay off the Plan's maximum indebtedness in FYE 2023.

Exhibit 1 shows the impact to the County Extension and 4-H District permanent rate collections, with and without the proposed urban renewal amendment. If the plan is amended, total

revenue for the County Extension and 4-H District would be \$54,251 less than if the Plan was not amended.

*Exhibit 1. Impact to County Extension and 4-H District, With and Without Amendment*

FYE	Impact to District, if <u>not</u> Amended	Impact to District, if Amended	Impact of Amendment
2018	\$ (14,680)	\$ (14,680)	\$ -
2019	\$ (15,582)	\$ (15,582)	\$ -
2020	\$ (5,283)	\$ (15,582)	\$ (10,299)
2021	\$ -	\$ (15,728)	\$ (15,728)
2022	\$ -	\$ (15,728)	\$ (15,728)
2023	\$ -	\$ (12,496)	\$ (12,496)
<b>Total</b>	<b>\$ (35,545)</b>	<b>\$ (89,796)</b>	<b>\$ (54,251)</b>

Source: Tiberius Solutions

### Impacts from revenue sharing

The proposed substantial amendment will result in the Plan becoming subject to revenue sharing requirements in state statutes. The amount of revenue sharing required by ORS is dependent upon the ratio of annual tax increment revenues to the original frozen base value of the Plan. No revenue sharing is required until annual tax increment revenues exceed 10% of the original maximum indebtedness. For the Year 2000 Plan, the original maximum indebtedness was \$53,851,923. This means that mandatory revenue sharing would begin when tax increment revenues exceed \$5,385,192.

However, the City of Wilsonville already "underlevies" annual tax increment revenue for the Year 2000 Plan, through a self-imposed cap of \$4 million in annual tax increment revenue. Given the City's current policy, the URA would never achieve the level of annual tax increment revenue that would trigger the revenue sharing provisions of ORS. Thus, the district is effectively engaging in a method of revenue sharing that is more generous to affected taxing districts than the system required by ORS.

Exhibit 2 shows the impact of the Year 2000 Plan on the County Extension and 4-H District permanent rate levy, comparing two different scenarios: (1) with the City's existing revenue sharing policy (a \$4m cap in TIF revenue for the URA) versus (2) the statutory revenue sharing formula. Both scenarios result in essentially the same aggregate impact to the County Extension and 4-H District through FYE 2026. However, the \$4M cap results in smaller annual impacts for a longer period of time.<sup>1</sup> Note that property tax bills have already been determined for FYE 2018, which is why there is no difference between the two scenarios for the current fiscal year.

<sup>1</sup> The total cumulative tax increment revenue collected by the City is the same in both revenue sharing scenarios. However, the total impacts to the overlapping taxing districts are slightly different. This is due to the presence of a general obligation (GO) bond through FYE 2020. This results in the City's existing policy having a slightly increased impact on taxing districts than the

*Exhibit 2. Impact of Amendment with Existing Revenue Sharing Policy vs. Statutory Revenue Sharing Requirement*

FYE	Impact to District, if Amended, with \$4m Cap	Impact to District, if Amended, with Statutory Revenue Sharing	Additional Gain or Loss to District if \$4m Cap is Removed
2018	\$ (14,680)	\$ (14,680)	\$ -
2019	\$ (15,582)	\$ (20,325)	\$ (4,743)
2020	\$ (15,582)	\$ (21,013)	\$ (5,431)
2021	\$ (15,728)	\$ (21,391)	\$ (5,663)
2022	\$ (15,728)	\$ (12,274)	\$ 3,454
2023	\$ (12,496)	\$ -	\$ 12,496
<b>Total</b>	<b>\$ (89,796)</b>	<b>\$ (89,683)</b>	<b>\$ 113</b>

Source: Tiberius Solutions

**Tax revenues after termination of tax increment**

Upon termination of the URA, all revenue will be distributed to overlapping taxing districts. ORS requires the Report to the Plan Amendment identify the tax revenues for affected taxing districts in the year after the termination of the URA. These numbers are shown in Exhibit 3 below. These are estimates only; changes in the economy may impact the projections.

*Exhibit 3. Tax Revenues After Termination of Tax Increment Financing*

Taxing District	Type	Tax Rate	Tax Revenue in FYE 2024 (year after termination)			Total
			From Frozen Base	From Excess Value (Used)	From Excess Value (Not Used)	
<b>General Government</b>						
Clackamas County	Permanent	2.4042	\$ 105,996	\$ 617,788	\$ 605,364	\$ 1,329,148
City of Wilsonville	Permanent	2.5206	\$ 111,128	\$ 647,699	\$ 634,673	\$ 1,393,500
County Extension & 4-H	Permanent	0.0500	\$ 2,204	\$ 12,848	\$ 12,590	\$ 27,642
County Library	Permanent	0.3974	\$ 17,520	\$ 102,117	\$ 100,063	\$ 219,700
County Soil Conservation	Permanent	0.0500	\$ 2,204	\$ 12,848	\$ 12,590	\$ 27,642
FD64 TVF&R	Permanent	1.5252	\$ 67,243	\$ 391,919	\$ 384,037	\$ 843,199
Port of Portland	Permanent	0.0701	\$ 3,091	\$ 18,013	\$ 17,651	\$ 38,755
Road District 15 Wilsonville	Permanent	0.0000	\$ -	\$ -	\$ -	\$ -
Srv 2 Metro	Permanent	0.0966	\$ 4,259	\$ 24,823	\$ 24,323	\$ 53,405
Vector Control	Permanent	0.0065	\$ 287	\$ 1,670	\$ 1,637	\$ 3,594
<i>Subtotal</i>		<i>7.1206</i>	<i>\$ 313,932</i>	<i>\$ 1,829,725</i>	<i>\$ 1,792,928</i>	<i>\$ 3,936,585</i>
<b>Education</b>						
West Linn-Wilsonville School District	Permanent	4.8684	\$ 214,637	\$ 1,250,994	\$ 1,225,836	\$ 2,691,467
Clackamas Community College	Permanent	0.5582	\$ 24,610	\$ 143,436	\$ 140,552	\$ 308,598
Clackamas ESD	Permanent	0.3687	\$ 16,255	\$ 94,742	\$ 92,837	\$ 203,834
<i>Subtotal</i>		<i>5.7953</i>	<i>\$ 255,502</i>	<i>\$ 1,489,172</i>	<i>\$ 1,459,225</i>	<i>\$ 3,203,899</i>
<b>Total</b>		<b>12.9159</b>	<b>\$ 569,434</b>	<b>\$ 3,318,897</b>	<b>\$ 3,252,153</b>	<b>\$ 7,140,484</b>

Source: Tiberius Solutions

**Summary of impacts**

The key takeaways regarding the impact of the proposed Amendment to the County Extension and 4-H District are summarized below:

- The amendment will extend the life of the URA by three years to generate sufficient funding for the Boeckman Dip Bridge project. This project will improve the safety of Boeckman Road for all modes of transportation and will help facilitate the future development in the Frog Pond area, that will add significant new value to the tax rolls.
- The three-year extension of the URA will have a negative impact on permanent rate levy tax collections, resulting in \$54,251 in additional foregone revenue from the County Extension and 4-H District.
- The City's existing policy to cap tax increment collections at \$4M per year results in a lower annual impact to the County Extension and 4-H District than the statutory formula for revenue sharing.

**Process for Review**

The process for final review of the Amendment and Report include the following steps:

Dec. 11-15, 2017	Send formal notice to taxing jurisdictions
Dec. 13, 2017	Planning Commission hearing
Jan. 2018	Presentation to and approval consideration by Clackamas County Commission
Dec./Jan., 2017-18	Notice to property owners
Feb. 22, 2018	Wilsonville City Council public hearing
March 5, 2018	Tentatively scheduled Wilsonville City Council vote

The draft Year 2000 Urban Renewal Plan Amendment and Report are enclosed with this letter. If you would like to provide written comments, the Wilsonville City Council will respond to them. Please provide any written comments by February 22, 2018. For more information, please contact Jordan Vance, Economic Development Manager at 503-570-1539 [vance@ci.wilsonville.or.us](mailto:vance@ci.wilsonville.or.us).

Sincerely,

Bryan Cosgrove  
City Manager  
City of Wilsonville  
29799 SW Town Center Loop E  
Wilsonville, Oregon 97070

**Attachments:**

- A: Year 2000 Urban Renewal Plan Amendment
- B: Report on the Year 2000 Urban Renewal Plan Amendment
- D: Urban Renewal Area Map

**CITY OF WILSONVILLE, OREGON**

**Resolution No. 11**

**A RESOLUTION TO CONCUR WITH TWO PROVISIONS OF AMENDMENT TO THE  
WILSONVILLE YEAR 2000 URBAN RENEWAL AREA**

**WHEREAS**, the Year 2000 Plan and Report on the Plan were duly adopted and approved by the Wilsonville City Council on August 29, 1990, and has been subsequently amended; and,

**WHEREAS**, the Wilsonville Urban Renewal Agency (Agency) proposes further the 11th Amendment to the Plan at this time to identify a new project, make changes to the Plan to address the new project, and increase the maximum indebtedness by \$14,509,101; and,

**WHEREAS**, the Agency pursuant to requirements of ORS Chapter 457 has caused preparation of an Amendment to the Year 2000 Plan (Amendment), Attached hereto as Exhibit A; and,

**WHEREAS**, the Amendment is accompanied by a Report as required under ORS 457.085(3), Attached hereto as Exhibit B; and,

**WHEREAS**, pursuant to ORS 457.220(4) and ORS 457.220(5), the Amendment to increase maximum indebtedness requires concurrence by the overlapping taxing districts as the increase in maximum indebtedness is greater than 20% of the original maximum indebtedness as adjusted by inflation; and

**WHEREAS**, pursuant to ORS 457.455(1), continuance of the existing revenue sharing agreement program the Wilsonville Urban Renewal Agency has been enacting will require concurrence with overlapping taxing districts; and,

**WHEREAS**, the concurrence provides specific authority to the Agency to enter into a revenue sharing agreement, attached hereto as **Exhibit C**; and

**WHEREAS**, concurrence is the approval of 75% of the permanent rate levy of the overlapping taxing districts; and

**WHEREAS**, the Wilsonville Urban Renewal Agency is seeking the approval of the City of Wilsonville; and

**NOW THEREFORE, BE IT RESOLVED** by the City Council for the City of Wilsonville that:

- Section 1.** By enactment of this resolution, the City of Wilsonville concurs with the maximum indebtedness increase of \$14,509,101.
- Section 2.** By enactment of this resolution, the City of Wilsonville concurs with the revenue sharing agreement program and is authorized to enter into the Agreement as outlined in **Exhibit C**.
- Section 3.** This resolution takes effect upon its adoption.

PASSED AND APPROVED this \_\_\_ day of \_\_\_\_ 2017

City of Wilsonville

---

ATTEST:

---

Attachments:

Exhibit A: October 30, 2017 Draft Year 2000 Urban Renewal Plan 11<sup>th</sup> Amendment

Exhibit B: October 20, 2017 Draft Report Accompanying the Year 2000 Plan 11<sup>th</sup> Amendment

Exhibit C: Revenue Sharing Agreement Program



Date: January 9, 2017

Re: Proposed Year 2000 Urban Renewal Plan Amendment

The Wilsonville City Council is considering adoption of an ordinance to amend the Year 2000 Urban Renewal Plan (Plan) to add a project and increase the maximum indebtedness.

To adopt an urban renewal plan amendment, the City is legally required to send the proposed plan amendment to representatives of overlapping taxing districts. The City Council is required to respond specifically to any written recommendations of the districts. This letter officially transmits to the City of Wilsonville Taxing District the proposed Year 2000 Urban Renewal Plan Eleventh Amendment.

The Wilsonville City Council is scheduled to have a public hearing on the proposed Year 2000 Urban Renewal Plan Amendment on February 22, 2018. They are tentatively scheduled to vote on the proposed Year 2000 Urban Renewal Plan Amendment on at their March 5 meeting. Both meetings are at the City Hall, at 7:00 p.m.

## **Background**

At their March 20, 2017 meeting, the Wilsonville City Council was briefed on the Boeckman Road project, which will cost approximately \$14 million and is located within the Year 2000 Plan Urban Renewal Area (Area) boundary. To sufficiently fund the project through urban renewal, a substantial amendment is required. The City presented the issue of a potential Year 2000 Plan amendment to the Wilsonville Urban Renewal Task Force at its April 24, 2017 meeting. The Task Force unanimously recommended that the Year 2000 plan be amended to include the Boeckman Road project. The Wilsonville Urban Renewal Agency met on December 4, 2017 and voted unanimously to send the proposed amendment out for public review.

## **Proposal**

The Year 2000 Urban Renewal Area, shown in the attached map, consists of approximately 454 acres of land, including rights-of-way.

The following are the key issues in the proposed Amendment:

- This is a substantial amendment to the Year 2000 Plan.
- A new project will be added to the Plan: the Boeckman Dip Bridge. This project will construct a bridge across Boeckman Creek that will improve the safety of Boeckman Road for all modes of transportation and will help facilitate the future development in the Frog Pond area, an area that will add significant new value to the tax rolls.
- The “maximum indebtedness” provides a limit on the amount of funds that may be spent on project, programs, and administration of an urban renewal plan. As a part of the Year 2000 Plan Amendment, the maximum indebtedness will be increased by \$14,509,101 to a total of \$107,196,524.
- The amount of the proposed increase in maximum indebtedness exceeds the authority in Oregon Revised Statutes (ORS) 457 for the Wilsonville City Council to approve on their own. Thus, the City must obtain concurrence (approval by taxing districts that represent 75% of the permanent rate levy) to increase the maximum indebtedness by this amount.
- The proposed amendment would result in the Year 2000 Plan becoming subject to "revenue sharing" provisions of Oregon Revised Statutes (ORS). However, the City of Wilsonville already "underlevies" annual tax increment revenue for the Year 2000 Plan, through a self-imposed cap of \$4 million in annual tax increment revenue. The City's current approach results in more revenue being shared with overlapping taxing districts than the required statutory formula for revenue sharing. However, as the City's approach is different from the sharing requirements of ORS, the taxing districts will need to concur to continue the existing voluntary sharing program.
- The Plan, if amended, is projected to result in the continued collection of tax increment revenue through FYE 2023.

We have enclosed a sample resolution for your review and adoption should you decide to support this amendment. The City Council will need a copy of this adopted resolution, should you agree to these changes to the Year 2000 Urban Renewal Plan.

### **Impact on Taxing Jurisdictions**

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. The City has projected estimated impacts on the taxing jurisdictions through fiscal year (FYE) 2023, after which point in time the City anticipates terminating the Year 2000 Plan and the collection of tax increment revenue. The remainder of this section describes the key takeaways for the City of Wilsonville Taxing District.

#### **Impact on permanent rate levy**

The proposed amendment would result in a decrease in City of Wilsonville Taxing District's permanent rate property tax collections. This is attributable to the length of time that the URA

collects tax increment revenue to pay off the Plan's maximum indebtedness. Without the amendment, the URA expects to pay off the Plan's maximum indebtedness in FYE 2020. If the Plan is amended, the URA expects to pay off the Plan's maximum indebtedness in FYE 2023.

Exhibit 1 shows the impact to the City of Wilsonville Taxing District permanent rate collections, with and without the proposed urban renewal amendment. If the plan is amended, total revenue for the City of Wilsonville Taxing District would be about \$2.7 million less than if the Plan was not amended.

*Exhibit 1. Impact to City of Wilsonville Taxing District, With and Without Amendment*

FYE	Impact to District, if Amended	Impact to District, if Amended	Impact of Amendment
2018	\$ (740,030)	\$ (740,030)	\$ -
2019	\$ (785,527)	\$ (785,527)	\$ -
2020	\$ (266,329)	\$ (785,527)	\$ (519,198)
2021	\$ -	\$ (792,872)	\$ (792,872)
2022	\$ -	\$ (792,872)	\$ (792,872)
2023	\$ -	\$ (629,950)	\$ (629,950)
<b>Total</b>	<b>\$ (1,791,886)</b>	<b>\$ (4,526,778)</b>	<b>\$ (2,734,892)</b>

Source: Tiberius Solutions

### Impacts from revenue sharing

The proposed substantial amendment will result in the Plan becoming subject to revenue sharing requirements in state statutes. The amount of revenue sharing required by ORS is dependent upon the ratio of annual tax increment revenues to the original frozen base value of the Plan. No revenue sharing is required until annual tax increment revenues exceed 10% of the original maximum indebtedness. For the Year 2000 Plan, the original maximum indebtedness was \$53,851,923. This means that mandatory revenue sharing would begin when tax increment revenues exceed \$5,385,192.

However, the City of Wilsonville already "underlevies" annual tax increment revenue for the Year 2000 Plan, through a self-imposed cap of \$4 million in annual tax increment revenue. Given the City's current policy, the URA would never achieve the level of annual tax increment revenue that would trigger the revenue sharing provisions of ORS. Thus, the district is effectively engaging in a method of revenue sharing that is more generous to affected taxing districts than the system required by ORS.

Exhibit 2 shows the impact of the Year 2000 Plan on the City of Wilsonville Taxing District permanent rate levy, comparing two different scenarios: (1) with the City's existing revenue sharing policy (a \$4m cap in TIF revenue for the URA) versus (2) the statutory revenue sharing formula. Both scenarios result in essentially the same aggregate impact to the City of Wilsonville Taxing District through FYE 2026. However, the \$4M cap results in smaller annual

impacts for a longer period of time.<sup>1</sup> Note that property tax bills have already been determined for FYE 2018, which is why there is no difference between the two scenarios for the current fiscal year.

*Exhibit 2. Impact of Amendment with Existing Revenue Sharing Policy vs. Statutory Revenue Sharing Requirement*

FYE	Impact to District, if Amended, with \$4m Cap	Impact to District, if Amended, with Statutory Revenue Sharing	Additional Gain or Loss to District if \$4m Cap is Removed
2018	\$ (740,030)	\$ (740,030)	\$ -
2019	\$ (785,527)	\$ (1,024,617)	\$ (239,090)
2020	\$ (785,527)	\$ (1,059,316)	\$ (273,789)
2021	\$ (792,872)	\$ (1,078,374)	\$ (285,502)
2022	\$ (792,872)	\$ (618,740)	\$ 174,132
2023	\$ (629,950)	\$ -	\$ 629,950
<b>Total</b>	<b>\$ (4,526,778)</b>	<b>\$ (4,521,077)</b>	<b>\$ 5,701</b>

Source: Tiberius Solutions

**Tax revenues after termination of tax increment**

Upon termination of the URA, all revenue will be distributed to overlapping taxing districts. ORS requires the Report to the Plan Amendment identify the tax revenues for affected taxing districts in the year after the termination of the URA. These numbers are shown in Exhibit 3 below. These are estimates only; changes in the economy may impact the projections.

---

<sup>1</sup> The total cumulative tax increment revenue collected by the City is the same in both revenue sharing scenarios. However, the total impacts to the overlapping taxing districts are slightly different. This is due to the presence of a general obligation (GO) bond through FYE 2020. This results in the City's existing policy having a slightly increased impact on taxing districts than the statutory formula, because the City's policy results in a larger portion of revenue collected after the GO bond expires. This difference for the City of Wilsonville Taxing District is \$5,701.

*Exhibit 3. Tax Revenues After Termination of Tax Increment Financing*

Taxing District	Type	Tax Rate	Tax Revenue in FYE 2024 (year after termination)			Total
			From Frozen Base	From Excess Value (Used)	From Excess Value (Not Used)	
<b>General Government</b>						
Clackamas County	Permanent	2.4042	\$ 105,996	\$ 617,788	\$ 605,364	\$ 1,329,148
City of Wilsonville	Permanent	2.5206	\$ 111,128	\$ 647,699	\$ 634,673	\$ 1,393,500
County Extension & 4-H	Permanent	0.0500	\$ 2,204	\$ 12,848	\$ 12,590	\$ 27,642
County Library	Permanent	0.3974	\$ 17,520	\$ 102,117	\$ 100,063	\$ 219,700
County Soil Conservation	Permanent	0.0500	\$ 2,204	\$ 12,848	\$ 12,590	\$ 27,642
FD64 TVF&R	Permanent	1.5252	\$ 67,243	\$ 391,919	\$ 384,037	\$ 843,199
Port of Portland	Permanent	0.0701	\$ 3,091	\$ 18,013	\$ 17,651	\$ 38,755
Road District 15 Wilsonville	Permanent	0.0000	\$ -	\$ -	\$ -	\$ -
Srv 2 Metro	Permanent	0.0966	\$ 4,259	\$ 24,823	\$ 24,323	\$ 53,405
Vector Control	Permanent	0.0065	\$ 287	\$ 1,670	\$ 1,637	\$ 3,594
<i>Subtotal</i>		<i>7.1206</i>	<i>\$ 313,932</i>	<i>\$ 1,829,725</i>	<i>\$ 1,792,928</i>	<i>\$ 3,936,585</i>
<b>Education</b>						
West Linn-Wilsonville School District	Permanent	4.8684	\$ 214,637	\$ 1,250,994	\$ 1,225,836	\$ 2,691,467
Clackamas Community College	Permanent	0.5582	\$ 24,610	\$ 143,436	\$ 140,552	\$ 308,598
Clackamas ESD	Permanent	0.3687	\$ 16,255	\$ 94,742	\$ 92,837	\$ 203,834
<i>Subtotal</i>		<i>5.7953</i>	<i>\$ 255,502</i>	<i>\$ 1,489,172</i>	<i>\$ 1,459,225</i>	<i>\$ 3,203,899</i>
<b>Total</b>		<b>12.9159</b>	<b>\$ 569,434</b>	<b>\$ 3,318,897</b>	<b>\$ 3,252,153</b>	<b>\$ 7,140,484</b>

Source: Tiberius Solutions

**Summary of impacts**

The key takeaways regarding the impact of the proposed Amendment to the City of Wilsonville Taxing District are summarized below:

- The amendment will extend the life of the URA by three years to generate sufficient funding for the Boeckman Dip Bridge project. This project will improve the safety of Boeckman Road for all modes of transportation and will help facilitate the future development in the Frog Pond area, that will add significant new value to the tax rolls.
- The three-year extension of the URA will have a negative impact on permanent rate levy tax collections, resulting in approximately \$2.7 million in additional foregone revenue from the City of Wilsonville Taxing District.
- Although the City is seeking concurrence for approval of an alternative approach to revenue sharing, the City’s existing policy to cap tax increment collections at \$4M per year results in a lower annual impact to the City of Wilsonville Taxing District than the statutory formula for revenue sharing.

## Process for Review

The process for final review of the Amendment and Report include the following steps:

Dec. 11-15, 2017	Send formal notice to taxing jurisdictions
Dec. 13, 2017	Planning Commission hearing
Jan. 2018	Presentation to and approval consideration by Clackamas County Commission
Dec./Jan., 2017-18	Notice to property owners
Feb. 22, 2018	Wilsonville City Council public hearing
March 5, 2018	Tentatively scheduled Wilsonville City Council vote

The draft Year 2000 Urban Renewal Plan Amendment and Report are enclosed with this letter. If you would like to provide written comments, the Wilsonville City Council will respond to them. Please provide any written comments by February 22, 2018. For more information, please contact Jordan Vance, Economic Development Manager at 503-570-1539 [vance@ci.wilsonville.or.us](mailto:vance@ci.wilsonville.or.us).

Sincerely,

Bryan Cosgrove  
City Manager  
City of Wilsonville  
29799 SW Town Center Loop E  
Wilsonville, Oregon 97070

### Attachments:

- A: Year 2000 Urban Renewal Plan Amendment
- B: Report on the Year 2000 Urban Renewal Plan Amendment
- C: Draft Resolution
- D: Urban Renewal Area Map



Date: January 9, 2017

Re: Proposed Year 2000 Urban Renewal Plan Amendment

The Wilsonville City Council is considering adoption of an ordinance to amend the Year 2000 Urban Renewal Plan (Plan) to add a project and increase the maximum indebtedness.

To adopt an urban renewal plan amendment, the City is legally required to send the proposed plan amendment to representatives of overlapping taxing districts. The City Council is required to respond specifically to any written recommendations of the districts. This letter officially transmits to the Clackamas County Taxing District the proposed Year 2000 Urban Renewal Plan Eleventh Amendment.

The Wilsonville City Council is scheduled to have a public hearing on the proposed Year 2000 Urban Renewal Plan Amendment on February 22, 2018. They are tentatively scheduled to vote on the proposed Year 2000 Urban Renewal Plan Amendment on at their March 5 meeting. Both meetings are at the City Hall, at 7:00 p.m.

## **Background**

At their March 20, 2017 meeting, the Wilsonville City Council was briefed on the Boeckman Road project, which will cost approximately \$14 million and is located within the Year 2000 Plan Urban Renewal Area (Area) boundary. To sufficiently fund the project through urban renewal, a substantial amendment is required. The City presented the issue of a potential Year 2000 Plan amendment to the Wilsonville Urban Renewal Task Force at its April 24, 2017 meeting. The Task Force unanimously recommended that the Year 2000 plan be amended to include the Boeckman Road project. The Wilsonville Urban Renewal Agency met on December 4, 2017 and voted unanimously to send the proposed amendment out for public review.

## **Proposal**

The Year 2000 Urban Renewal Area, shown in the attached map, consists of approximately 454 acres of land, including rights-of-way.

The following are the key issues in the proposed Amendment:

- This is a substantial amendment to the Year 2000 Plan.
- A new project will be added to the Plan: the Boeckman Dip Bridge. This project will construct a bridge across Boeckman Creek that will improve the safety of Boeckman Road for all modes of transportation and will help facilitate the future development in the Frog Pond area, an area that will add significant new value to the tax rolls.
- The “maximum indebtedness” provides a limit on the amount of funds that may be spent on project, programs, and administration of an urban renewal plan. As a part of the Year 2000 Plan Amendment, the maximum indebtedness will be increased by \$14,509,101 to a total of \$107,196,524.
- The amount of the proposed increase in maximum indebtedness exceeds the authority in Oregon Revised Statutes (ORS) 457 for the Wilsonville City Council to approve on their own. Thus, the City must obtain concurrence (approval by taxing districts that represent 75% of the permanent rate levy) to increase the maximum indebtedness by this amount.
- The proposed amendment would result in the Year 2000 Plan becoming subject to "revenue sharing" provisions of Oregon Revised Statutes (ORS). However, the City of Wilsonville already "underlevies" annual tax increment revenue for the Year 2000 Plan, through a self-imposed cap of \$4 million in annual tax increment revenue. The City's current approach results in more revenue being shared with overlapping taxing districts than the required statutory formula for revenue sharing. However, as the City's approach is different from the sharing requirements of ORS, the taxing districts will need to concur to continue the existing voluntary sharing program.
- The Plan, if amended, is projected to result in the continued collection of tax increment revenue through FYE 2023.

We have enclosed a sample resolution for your review and adoption should you decide to support this amendment. The City Council will need a copy of this adopted resolution, should you agree to these changes to the Year 2000 Urban Renewal Plan.

### **Impact on Taxing Jurisdictions**

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. The City has projected estimated impacts on the taxing jurisdictions through fiscal year (FYE) 2023, after which point in time the City anticipates terminating the Year 2000 Plan and the collection of tax increment revenue. The remainder of this section describes the key takeaways for the Clackamas County Taxing District.

### **Impact on permanent rate levy**

The proposed amendment would result in a decrease in Clackamas County Taxing District's permanent rate property tax collections. This is attributable to the length of time that the URA

collects tax increment revenue to pay off the Plan’s maximum indebtedness. Without the amendment, the URA expects to pay off the Plan’s maximum indebtedness in FYE 2020. If the Plan is amended, the URA expects to pay off the Plan’s maximum indebtedness in FYE 2023.

Exhibit 1 shows the impact to the Clackamas County Taxing District permanent rate collections, with and without the proposed urban renewal amendment. If the plan is amended, total revenue for the Clackamas County Taxing District would be about \$2.6 million less than if the Plan was not amended.

*Exhibit 1. Impact to Clackamas County Taxing District, With and Without Amendment*

FYE	Impact to District, if Amended	Impact to District, if Amended	Impact of Amendment
2018	\$ (705,856)	\$ (705,856)	\$ -
2019	\$ (749,252)	\$ (749,252)	\$ -
2020	\$ (254,030)	\$ (749,252)	\$ (495,222)
2021	\$ -	\$ (756,258)	\$ (756,258)
2022	\$ -	\$ (756,258)	\$ (756,258)
2023	\$ -	\$ (600,860)	\$ (600,860)
<b>Total</b>	<b>\$ (1,709,138)</b>	<b>\$ (4,317,736)</b>	<b>\$ (2,608,598)</b>

Source: Tiberius Solutions

**Impacts from revenue sharing**

The proposed substantial amendment will result in the Plan becoming subject to revenue sharing requirements in state statutes. The amount of revenue sharing required by ORS is dependent upon the ratio of annual tax increment revenues to the original frozen base value of the Plan. No revenue sharing is required until annual tax increment revenues exceed 10% of the original maximum indebtedness. For the Year 2000 Plan, the original maximum indebtedness was \$53,851,923. This means that mandatory revenue sharing would begin when tax increment revenues exceed \$5,385,192.

However, the City of Wilsonville already "underlevies" annual tax increment revenue for the Year 2000 Plan, through a self-imposed cap of \$4 million in annual tax increment revenue. Given the City’s current policy, the URA would never achieve the level of annual tax increment revenue that would trigger the revenue sharing provisions of ORS. Thus, the district is effectively engaging in a method of revenue sharing that is more generous to affected taxing districts than the system required by ORS.

Exhibit 2 shows the impact of the Year 2000 Plan on the Clackamas County Taxing District permanent rate levy, comparing two different scenarios: (1) with the City’s existing revenue sharing policy (a \$4m cap in TIF revenue for the URA) versus (2) the statutory revenue sharing formula. Both scenarios result in essentially the same aggregate impact to the Clackamas County Taxing District through FYE 2026. However, the \$4M cap results in smaller annual

impacts for a longer period of time.<sup>1</sup> Note that property tax bills have already been determined for FYE 2018, which is why there is no difference between the two scenarios for the current fiscal year.

*Exhibit 2. Impact of Amendment with Existing Revenue Sharing Policy vs. Statutory Revenue Sharing Requirement*

FYE	Impact to District, if Amended, with \$4m Cap	Impact to District, if Amended, with Statutory Revenue Sharing	Additional Gain or Loss to District if \$4m Cap is Removed
2018	\$ (705,856)	\$ (705,856)	\$ -
2019	\$ (749,252)	\$ (977,301)	\$ (228,049)
2020	\$ (749,252)	\$ (1,010,397)	\$ (261,145)
2021	\$ (756,258)	\$ (1,028,575)	\$ (272,317)
2022	\$ (756,258)	\$ (590,167)	\$ 166,091
2023	\$ (600,860)	\$ -	\$ 600,860
<b>Total</b>	<b>\$ (4,317,736)</b>	<b>\$ (4,312,296)</b>	<b>\$ 5,440</b>

Source: Tiberius Solutions

**Tax revenues after termination of tax increment**

Upon termination of the URA, all revenue will be distributed to overlapping taxing districts. ORS requires the Report to the Plan Amendment identify the tax revenues for affected taxing districts in the year after the termination of the URA. These numbers are shown in Exhibit 3 below. These are estimates only; changes in the economy may impact the projections.

---

<sup>1</sup> The total cumulative tax increment revenue collected by the City is the same in both revenue sharing scenarios. However, the total impacts to the overlapping taxing districts are slightly different. This is due to the presence of a general obligation (GO) bond through FYE 2020. This results in the City's existing policy having a slightly increased impact on taxing districts than the statutory formula, because the City's policy results in a larger portion of revenue collected after the GO bond expires. This difference for the Clackamas County Taxing District is \$5,540.

**Exhibit 3. Tax Revenues After Termination of Tax Increment Financing**

Taxing District	Type	Tax Rate	Tax Revenue in FYE 2024 (year after termination)			Total
			From Frozen Base	From Excess Value (Used)	From Excess Value (Not Used)	
<b>General Government</b>						
Clackamas County	Permanent	2.4042	\$ 105,996	\$ 617,788	\$ 605,364	\$ 1,329,148
City of Wilsonville	Permanent	2.5206	\$ 111,128	\$ 647,699	\$ 634,673	\$ 1,393,500
County Extension & 4-H	Permanent	0.0500	\$ 2,204	\$ 12,848	\$ 12,590	\$ 27,642
County Library	Permanent	0.3974	\$ 17,520	\$ 102,117	\$ 100,063	\$ 219,700
County Soil Conservation	Permanent	0.0500	\$ 2,204	\$ 12,848	\$ 12,590	\$ 27,642
FD64 TVF&R	Permanent	1.5252	\$ 67,243	\$ 391,919	\$ 384,037	\$ 843,199
Port of Portland	Permanent	0.0701	\$ 3,091	\$ 18,013	\$ 17,651	\$ 38,755
Road District 15 Wilsonville	Permanent	0.0000	\$ -	\$ -	\$ -	\$ -
Srv 2 Metro	Permanent	0.0966	\$ 4,259	\$ 24,823	\$ 24,323	\$ 53,405
Vector Control	Permanent	0.0065	\$ 287	\$ 1,670	\$ 1,637	\$ 3,594
<i>Subtotal</i>		<i>7.1206</i>	<i>\$ 313,932</i>	<i>\$ 1,829,725</i>	<i>\$ 1,792,928</i>	<i>\$ 3,936,585</i>
<b>Education</b>						
West Linn-Wilsonville School District	Permanent	4.8684	\$ 214,637	\$ 1,250,994	\$ 1,225,836	\$ 2,691,467
Clackamas Community College	Permanent	0.5582	\$ 24,610	\$ 143,436	\$ 140,552	\$ 308,598
Clackamas ESD	Permanent	0.3687	\$ 16,255	\$ 94,742	\$ 92,837	\$ 203,834
<i>Subtotal</i>		<i>5.7953</i>	<i>\$ 255,502</i>	<i>\$ 1,489,172</i>	<i>\$ 1,459,225</i>	<i>\$ 3,203,899</i>
<b>Total</b>		<b>12.9159</b>	<b>\$ 569,434</b>	<b>\$ 3,318,897</b>	<b>\$ 3,252,153</b>	<b>\$ 7,140,484</b>

Source: Tiberius Solutions

**Summary of impacts**

The key takeaways regarding the impact of the proposed Amendment to the Clackamas County Taxing District are summarized below:

- The amendment will extend the life of the URA by three years to generate sufficient funding for the Boeckman Dip Bridge project. This project will improve the safety of Boeckman Road for all modes of transportation and will help facilitate the future development in the Frog Pond area, that will add significant new value to the tax rolls.
- The three-year extension of the URA will have a negative impact on permanent rate levy tax collections, resulting in approximately \$2.6 million in additional foregone revenue from the Clackamas County Taxing District.
- Although the City is seeking concurrence for approval of an alternative approach to revenue sharing, the City's existing policy to cap tax increment collections at \$4M per year results in a lower annual impact to the Clackamas County Taxing District than the statutory formula for revenue sharing.

## Process for Review

The process for final review of the Amendment and Report include the following steps:

Dec. 11-15, 2017	Send formal notice to taxing jurisdictions
Dec. 13, 2017	Planning Commission hearing
Jan. 2018	Presentation to and approval consideration by Clackamas County Commission
Dec./Jan., 2017-18	Notice to property owners
Feb. 22, 2018	Wilsonville City Council public hearing
March 5, 2018	Tentatively scheduled Wilsonville City Council vote

The draft Year 2000 Urban Renewal Plan Amendment and Report are enclosed with this letter. If you would like to provide written comments, the Wilsonville City Council will respond to them. Please provide any written comments by February 22, 2018. For more information, please contact Jordan Vance, Economic Development Manager at 503-570-1539 [vance@ci.wilsonville.or.us](mailto:vance@ci.wilsonville.or.us).

Sincerely,

Bryan Cosgrove  
City Manager  
City of Wilsonville  
29799 SW Town Center Loop E  
Wilsonville, Oregon 97070

### Attachments:

- A: Year 2000 Urban Renewal Plan Amendment
- B: Report on the Year 2000 Urban Renewal Plan Amendment
- C: Draft Resolution
- D: Urban Renewal Area Map

**CLACKAMAS COUNTY, OREGON**

**Resolution No. 11**

**A RESOLUTION TO APPROVE AN AMENDMENT TO THE WILSONVILLE YEAR 2000  
URBAN RENEWAL AREA**

**WHEREAS**, the Year 2000 Plan and Report on the Plan were duly adopted and approved by the Wilsonville City Council on August 29, 1990, and has been subsequently amended; and,

**WHEREAS**, the Wilsonville Urban Renewal Agency (Agency) proposes the 11th Amendment to the Plan at this time to identify a new project, make changes to the Plan to address the new project, and increase the maximum indebtedness by \$14,509,101; and,

**WHEREAS**, the Agency, pursuant to requirements of ORS Chapter 457, has caused preparation of an Amendment to the Year 2000 Plan (Amendment), attached hereto as Exhibit A; and,

**WHEREAS**, the Amendment is accompanied by a Report as required under ORS 457.085(3), attached hereto as Exhibit B; and,

**WHEREAS**, there are unincorporated properties in Clackamas County within the Year 2000 Plan Area and because of that, Clackamas County must vote to approve the Amendment; and

**WHEREAS**, pursuant to ORS 457.220(4) and ORS 457.220(5), the Amendment to increase maximum indebtedness requires concurrence by the overlapping taxing districts as the increase in maximum indebtedness is greater than 20% of the original maximum indebtedness as adjusted by inflation; and

**WHEREAS**, pursuant to ORS 457.455(1), continuance of the existing revenue sharing agreement program the Wilsonville Urban Renewal Agency has been enacting will require concurrence with overlapping taxing districts; and,

**WHEREAS**, the concurrence provides specific authority to the Agency to enter into a revenue sharing agreement, attached hereto as **Exhibit C**; and

**WHEREAS**, concurrence is the approval of 75% of the permanent rate levy of the overlapping taxing districts; and

**WHEREAS**, the Wilsonville Urban Renewal Agency is seeking the approval of Clackamas County;

**NOW THEREFORE, BE IT RESOLVED** by the Clackamas County Commission that:

**Section 1.** By enactment of this resolution, Clackamas County approves the attached Year 2000 Plan Amendment and Report. The Amendment adds a project, increases maximum indebtedness by more than 20% of original maximum indebtedness indexed by inflation, therefore, requiring concurrence, and proposes an alternative revenue sharing scenario which also requires concurrence.

**Section 2.** By enactment of this resolution, Clackamas County concurs with the maximum indebtedness increase of \$14,509,101.

**Section 3.** By enactment of this resolution, Clackamas County concurs with the revenue sharing agreement program and is authorized to enter into the Agreement as outlined in **Exhibit C**.

**Section 4.** This resolution takes effect upon its adoption.

PASSED AND APPROVED this \_\_\_\_ day of \_\_\_\_ 2017

Clackamas County Board of Commissioners

---

ATTEST:

---

Attachments:

Exhibit A: October 30, 2017 Draft Year 2000 Urban Renewal Plan 11<sup>th</sup> Amendment

Exhibit B: October 20, 2017 Draft Report Accompanying the Year 2000 Plan 11<sup>th</sup> Amendment

Exhibit C: Revenue Sharing Agreement Program



Date: January 9, 2018

Re: Proposed Year 2000 Urban Renewal Plan Amendment

The Wilsonville City Council is considering adoption of an ordinance to amend the Year 2000 Urban Renewal Plan (Plan) to add a project and increase the maximum indebtedness.

To adopt an urban renewal plan amendment, the City is legally required to send the proposed plan amendment to representatives of overlapping taxing districts. The City Council is required to respond specifically to any written recommendations of the districts. This letter officially transmits to the Clackamas Community College Taxing District the proposed Year 2000 Urban Renewal Plan Eleventh Amendment.

The Wilsonville City Council is scheduled to have a public hearing on the proposed Year 2000 Urban Renewal Plan Amendment on February 22, 2018. They are tentatively scheduled to vote on the proposed Year 2000 Urban Renewal Plan Amendment on at their March 5 meeting. Both meetings are at the City Hall, at 7:00 p.m.

## **Background**

At their March 20, 2017 meeting, the Wilsonville City Council was briefed on the Boeckman Road project, which will cost approximately \$14 million and is located within the Year 2000 Plan Urban Renewal Area (Area) boundary. To sufficiently fund the project through urban renewal, a substantial amendment is required. The City presented the issue of a potential Year 2000 Plan amendment to the Wilsonville Urban Renewal Task Force at its April 24, 2017 meeting. The Task Force unanimously recommended that the Year 2000 plan be amended to include the Boeckman Road project. The Wilsonville Urban Renewal Agency met on December 4, 2017 and voted unanimously to send the proposed amendment out for public review.

## **Proposal**

The Year 2000 Urban Renewal Area, shown in the attached map, consists of approximately 454 acres of land, including rights-of-way.

The following are the key issues in the proposed Amendment:

- This is a substantial amendment to the Year 2000 Plan.
- A new project will be added to the Plan: the Boeckman Dip Bridge. This project will construct a bridge across Boeckman Creek that will improve the safety of Boeckman Road for all modes of transportation and will help facilitate the future development in the Frog Pond area, an area that will add significant new value to the tax rolls.
- The “maximum indebtedness” provides a limit on the amount of funds that may be spent on project, programs, and administration of an urban renewal plan. As a part of the Year 2000 Plan Amendment, the maximum indebtedness will be increased by \$14,509,101 to a total of \$107,196,524.
- The amount of the proposed increase in maximum indebtedness exceeds the authority in Oregon Revised Statutes (ORS) 457 for the Wilsonville City Council to approve on their own.
- The proposed amendment would result in the Year 2000 Plan becoming subject to "revenue sharing" provisions of Oregon Revised Statutes (ORS). However, the City of Wilsonville already "underlevies" annual tax increment revenue for the Year 2000 Plan, through a self-imposed cap of \$4 million in annual tax increment revenue. The City's current approach results in more revenue being shared with overlapping taxing districts than the required statutory formula for revenue sharing. However, as the City's approach is different from the sharing requirements of ORS.
- The Plan, if amended, is projected to result in the continued collection of tax increment revenue through FYE 2023.

### **Impact on Taxing Jurisdictions**

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. The City has projected estimated impacts on the taxing jurisdictions through fiscal year (FYE) 2023, after which point in time the City anticipates terminating the Year 2000 Plan and the collection of tax increment revenue. The remainder of this section describes the key takeaways for the Clackamas Community College Taxing District.

#### **Impact on permanent rate levy**

The proposed amendment would result in a decrease in Clackamas Community College Taxing District's permanent rate property tax collections. This is attributable to the length of time that the URA collects tax increment revenue to pay off the Plan's maximum indebtedness. Without the amendment, the URA expects to pay off the Plan's maximum indebtedness in FYE 2020. If the Plan is amended, the URA expects to pay off the Plan's maximum indebtedness in FYE 2023.

Exhibit 1 shows the impact to the Clackamas Community College Taxing District permanent rate collections, with and without the proposed urban renewal amendment. If the plan is amended,

total revenue for the Clackamas Community College Taxing District would be \$605,657 less than if the Plan was not amended.

*Exhibit 1. Impact to Clackamas Community College Taxing District, With and Without Amendment*

FYE	Impact to District, if <u>not</u> Amended	Impact to District, if Amended	Impact of Amendment
2018	\$ (163,884)	\$ (163,884)	\$ -
2019	\$ (173,959)	\$ (173,959)	\$ -
2020	\$ (58,980)	\$ (173,959)	\$ (114,979)
2021	\$ -	\$ (175,586)	\$ (175,586)
2022	\$ -	\$ (175,586)	\$ (175,586)
2023	\$ -	\$ (139,506)	\$ (139,506)
<b>Total</b>	<b>\$ (396,823)</b>	<b>\$ (1,002,480)</b>	<b>\$ (605,657)</b>

Source: Tiberius Solutions

### Impacts from revenue sharing

The proposed substantial amendment will result in the Plan becoming subject to revenue sharing requirements in state statutes. The amount of revenue sharing required by ORS is dependent upon the ratio of annual tax increment revenues to the original frozen base value of the Plan. No revenue sharing is required until annual tax increment revenues exceed 10% of the original maximum indebtedness. For the Year 2000 Plan, the original maximum indebtedness was \$53,851,923. This means that mandatory revenue sharing would begin when tax increment revenues exceed \$5,385,192.

However, the City of Wilsonville already "underlevies" annual tax increment revenue for the Year 2000 Plan, through a self-imposed cap of \$4 million in annual tax increment revenue. Given the City's current policy, the URA would never achieve the level of annual tax increment revenue that would trigger the revenue sharing provisions of ORS. Thus, the district is effectively engaging in a method of revenue sharing that is more generous to affected taxing districts than the system required by ORS.

Exhibit 2 shows the impact of the Year 2000 Plan on the Clackamas Community College Taxing District permanent rate levy, comparing two different scenarios: (1) with the City's existing revenue sharing policy (a \$4m cap in TIF revenue for the URA) versus (2) the statutory revenue sharing formula. Both scenarios result in essentially the same aggregate impact to the Clackamas Community College Taxing District through FYE 2026. However, the \$4M cap results in smaller annual impacts for a longer period of time.<sup>1</sup> Note that property tax bills have already

<sup>1</sup> The total cumulative tax increment revenue collected by the City is the same in both revenue sharing scenarios. However, the total impacts to the overlapping taxing districts are slightly different. This is due to the presence of a general obligation (GO) bond through FYE 2020. This results in the City's existing policy having a slightly increased impact on taxing districts than the

been determined for FYE 2018, which is why there is no difference between the two scenarios for the current fiscal year.

*Exhibit 2. Impact of Amendment with Existing Revenue Sharing Policy vs. Statutory Revenue Sharing Requirement*

FYE	Impact to District, if Amended, with \$4m Cap	Impact to District, if Amended, with Statutory Revenue Sharing	Additional Gain or Loss to District if \$4m Cap is Removed
2018	\$ (163,884)	\$ (163,884)	\$ -
2019	\$ (173,959)	\$ (226,907)	\$ (52,948)
2020	\$ (173,959)	\$ (234,591)	\$ (60,632)
2021	\$ (175,586)	\$ (238,812)	\$ (63,226)
2022	\$ (175,586)	\$ (137,023)	\$ 38,563
2023	\$ (139,506)	\$ -	\$ 139,506
<b>Total</b>	<b>\$ (1,002,480)</b>	<b>\$ (1,001,217)</b>	<b>\$ 1,263</b>

Source: Tiberius Solutions

**Tax revenues after termination of tax increment**

Upon termination of the URA, all revenue will be distributed to overlapping taxing districts. ORS requires the Report to the Plan Amendment identify the tax revenues for affected taxing districts in the year after the termination of the URA. These numbers are shown in Exhibit 3 below. These are estimates only; changes in the economy may impact the projections.

---

statutory formula, because the City's policy results in a larger portion of revenue collected after the GO bond expires. This difference for the Clackamas Community College Taxing District is \$1,263.

**Exhibit 3. Tax Revenues After Termination of Tax Increment Financing**

Taxing District	Type	Tax Rate	Tax Revenue in FYE 2024 (year after termination)			Total
			From Frozen Base	From Excess Value (Used)	From Excess Value (Not Used)	
<b>General Government</b>						
Clackamas County	Permanent	2.4042	\$ 105,996	\$ 617,788	\$ 605,364	\$ 1,329,148
City of Wilsonville	Permanent	2.5206	\$ 111,128	\$ 647,699	\$ 634,673	\$ 1,393,500
County Extension & 4-H	Permanent	0.0500	\$ 2,204	\$ 12,848	\$ 12,590	\$ 27,642
County Library	Permanent	0.3974	\$ 17,520	\$ 102,117	\$ 100,063	\$ 219,700
County Soil Conservation	Permanent	0.0500	\$ 2,204	\$ 12,848	\$ 12,590	\$ 27,642
FD64 TVF&R	Permanent	1.5252	\$ 67,243	\$ 391,919	\$ 384,037	\$ 843,199
Port of Portland	Permanent	0.0701	\$ 3,091	\$ 18,013	\$ 17,651	\$ 38,755
Road District 15 Wilsonville	Permanent	0.0000	\$ -	\$ -	\$ -	\$ -
Srv 2 Metro	Permanent	0.0966	\$ 4,259	\$ 24,823	\$ 24,323	\$ 53,405
Vector Control	Permanent	0.0065	\$ 287	\$ 1,670	\$ 1,637	\$ 3,594
<i>Subtotal</i>		<i>7.1206</i>	<i>\$ 313,932</i>	<i>\$ 1,829,725</i>	<i>\$ 1,792,928</i>	<i>\$ 3,936,585</i>
<b>Education</b>						
West Linn-Wilsonville School District	Permanent	4.8684	\$ 214,637	\$ 1,250,994	\$ 1,225,836	\$ 2,691,467
Clackamas Community College	Permanent	0.5582	\$ 24,610	\$ 143,436	\$ 140,552	\$ 308,598
Clackamas ESD	Permanent	0.3687	\$ 16,255	\$ 94,742	\$ 92,837	\$ 203,834
<i>Subtotal</i>		<i>5.7953</i>	<i>\$ 255,502</i>	<i>\$ 1,489,172</i>	<i>\$ 1,459,225</i>	<i>\$ 3,203,899</i>
<b>Total</b>		<b>12.9159</b>	<b>\$ 569,434</b>	<b>\$ 3,318,897</b>	<b>\$ 3,252,153</b>	<b>\$ 7,140,484</b>

Source: Tiberius Solutions

**Summary of impacts**

The key takeaways regarding the impact of the proposed Amendment to the Clackamas Community College Taxing District are summarized below:

- The amendment will extend the life of the URA by three years to generate sufficient funding for the Boeckman Dip Bridge project. This project will improve the safety of Boeckman Road for all modes of transportation and will help facilitate the future development in the Frog Pond area, that will add significant new value to the tax rolls.
- The three-year extension of the URA will have a negative impact on permanent rate levy tax collections, resulting in approximately in additional \$605,657 foregone revenue from the Clackamas Community College Taxing District.
- The City's existing policy to cap tax increment collections at \$4M per year results in a lower annual impact to the Clackamas Community College Taxing District than the statutory formula for revenue sharing.

**Process for Review**

The process for final review of the Amendment and Report include the following steps:

Dec. 11-15, 2017	Send formal notice to taxing jurisdictions
Dec. 13, 2017	Planning Commission hearing
Jan. 2018	Presentation to and approval consideration by Clackamas County Commission
Dec./Jan., 2017-18	Notice to property owners
Feb. 22, 2018	Wilsonville City Council public hearing
March 5, 2018	Tentatively scheduled Wilsonville City Council vote

The draft Year 2000 Urban Renewal Plan Amendment and Report are enclosed with this letter. If you would like to provide written comments, the Wilsonville City Council will respond to them. Please provide any written comments by February 22, 2018. For more information, please contact Jordan Vance, Economic Development Manager at 503-570-1539 [vance@ci.wilsonville.or.us](mailto:vance@ci.wilsonville.or.us).

Sincerely,

Bryan Cosgrove  
City Manager  
City of Wilsonville  
29799 SW Town Center Loop E  
Wilsonville, Oregon 97070

**Attachments:**

- A: Year 2000 Urban Renewal Plan Amendment
- B: Report on the Year 2000 Urban Renewal Plan Amendment
- D: Urban Renewal Area Map



Date: January 9, 2018

Re: Proposed Year 2000 Urban Renewal Plan Amendment

The Wilsonville City Council is considering adoption of an ordinance to amend the Year 2000 Urban Renewal Plan (Plan) to add a project and increase the maximum indebtedness.

To adopt an urban renewal plan amendment, the City is legally required to send the proposed plan amendment to representatives of overlapping taxing districts. The City Council is required to respond specifically to any written recommendations of the districts. This letter officially transmits to the Clackamas ESD Taxing District the proposed Year 2000 Urban Renewal Plan Eleventh Amendment.

The Wilsonville City Council is scheduled to have a public hearing on the proposed Year 2000 Urban Renewal Plan Amendment on February 22, 2018. They are tentatively scheduled to vote on the proposed Year 2000 Urban Renewal Plan Amendment on at their March 5 meeting. Both meetings are at the City Hall, at 7:00 p.m.

## **Background**

At their March 20, 2017 meeting, the Wilsonville City Council was briefed on the Boeckman Road project, which will cost approximately \$14 million and is located within the Year 2000 Plan Urban Renewal Area (Area) boundary. To sufficiently fund the project through urban renewal, a substantial amendment is required. The City presented the issue of a potential Year 2000 Plan amendment to the Wilsonville Urban Renewal Task Force at its April 24, 2017 meeting. The Task Force unanimously recommended that the Year 2000 plan be amended to include the Boeckman Road project. The Wilsonville Urban Renewal Agency met on December 4, 2017 and voted unanimously to send the proposed amendment out for public review.

## **Proposal**

The Year 2000 Urban Renewal Area, shown in the attached map, consists of approximately 454 acres of land, including rights-of-way.

The following are the key issues in the proposed Amendment:

- This is a substantial amendment to the Year 2000 Plan.
- A new project will be added to the Plan: the Boeckman Dip Bridge. This project will construct a bridge across Boeckman Creek that will improve the safety of Boeckman Road for all modes of transportation and will help facilitate the future development in the Frog Pond area, an area that will add significant new value to the tax rolls.
- The “maximum indebtedness” provides a limit on the amount of funds that may be spent on project, programs, and administration of an urban renewal plan. As a part of the Year 2000 Plan Amendment, the maximum indebtedness will be increased by \$14,509,101 to a total of \$107,196,524.
- The amount of the proposed increase in maximum indebtedness exceeds the authority in Oregon Revised Statutes (ORS) 457 for the Wilsonville City Council to approve on their own.
- The proposed amendment would result in the Year 2000 Plan becoming subject to "revenue sharing" provisions of Oregon Revised Statutes (ORS). However, the City of Wilsonville already "underlevies" annual tax increment revenue for the Year 2000 Plan, through a self-imposed cap of \$4 million in annual tax increment revenue. The City's current approach results in more revenue being shared with overlapping taxing districts than the required statutory formula for revenue sharing. However, as the City's approach is different from the sharing requirements of ORS.
- The Plan, if amended, is projected to result in the continued collection of tax increment revenue through FYE 2023.

## **Impact on Taxing Jurisdictions**

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. The City has projected estimated impacts on the taxing jurisdictions through fiscal year (FYE) 2023, after which point in time the City anticipates terminating the Year 2000 Plan and the collection of tax increment revenue. The remainder of this section describes the key takeaways for the Clackamas ESD Taxing District.

### **Impact on permanent rate levy**

The proposed amendment would result in a decrease in Clackamas ESD Taxing District's permanent rate property tax collections. This is attributable to the length of time that the URA collects tax increment revenue to pay off the Plan's maximum indebtedness. Without the amendment, the URA expects to pay off the Plan's maximum indebtedness in FYE 2020. If the Plan is amended, the URA expects to pay off the Plan's maximum indebtedness in FYE 2023.

Exhibit 1 shows the impact to the Clackamas ESD Taxing District permanent rate collections, with and without the proposed urban renewal amendment. If the plan is amended, total

revenue for the Clackamas ESD Taxing District would be \$400,046 less than if the Plan was not amended.

*Exhibit 1. Impact to Clackamas ESD Taxing District, With and Without Amendment*

FYE	Impact to District, if not Amended	Impact to District, if Amended	Impact of Amendment
2018	\$ (108,248)	\$ (108,248)	\$ -
2019	\$ (114,903)	\$ (114,903)	\$ -
2020	\$ (38,957)	\$ (114,903)	\$ (75,946)
2021	\$ -	\$ (115,977)	\$ (115,977)
2022	\$ -	\$ (115,977)	\$ (115,977)
2023	\$ -	\$ (92,146)	\$ (92,146)
<b>Total</b>	<b>\$ (262,108)</b>	<b>\$ (662,154)</b>	<b>\$ (400,046)</b>

Source: Tiberius Solutions

### Impacts from revenue sharing

The proposed substantial amendment will result in the Plan becoming subject to revenue sharing requirements in state statutes. The amount of revenue sharing required by ORS is dependent upon the ratio of annual tax increment revenues to the original frozen base value of the Plan. No revenue sharing is required until annual tax increment revenues exceed 10% of the original maximum indebtedness. For the Year 2000 Plan, the original maximum indebtedness was \$53,851,923. This means that mandatory revenue sharing would begin when tax increment revenues exceed \$5,385,192.

However, the City of Wilsonville already "underlevies" annual tax increment revenue for the Year 2000 Plan, through a self-imposed cap of \$4 million in annual tax increment revenue. Given the City's current policy, the URA would never achieve the level of annual tax increment revenue that would trigger the revenue sharing provisions of ORS. Thus, the district is effectively engaging in a method of revenue sharing that is more generous to affected taxing districts than the system required by ORS.

Exhibit 2 shows the impact of the Year 2000 Plan on the Clackamas ESD Taxing District permanent rate levy, comparing two different scenarios: (1) with the City's existing revenue sharing policy (a \$4m cap in TIF revenue for the URA) versus (2) the statutory revenue sharing formula. Both scenarios result in essentially the same aggregate impact to the Clackamas ESD Taxing District through FYE 2026. However, the \$4M cap results in smaller annual impacts for a

longer period of time.<sup>1</sup> Note that property tax bills have already been determined for FYE 2018, which is why there is no difference between the two scenarios for the current fiscal year.

*Exhibit 2. Impact of Amendment with Existing Revenue Sharing Policy vs. Statutory Revenue Sharing Requirement*

FYE	Impact to District, if Amended, with \$4m Cap	Impact to District, if Amended, with Statutory Revenue Sharing	Additional Gain or Loss to District if \$4m Cap is Removed
2018	\$ (108,248)	\$ (108,248)	\$ -
2019	\$ (114,903)	\$ (149,876)	\$ (34,973)
2020	\$ (114,903)	\$ (154,951)	\$ (40,048)
2021	\$ (115,977)	\$ (157,739)	\$ (41,762)
2022	\$ (115,977)	\$ (90,506)	\$ 25,471
2023	\$ (92,146)	\$ -	\$ 92,146
<b>Total</b>	<b>\$ (662,154)</b>	<b>\$ (661,320)</b>	<b>\$ 834</b>

Source: Tiberius Solutions

### Tax revenues after termination of tax increment

Upon termination of the URA, all revenue will be distributed to overlapping taxing districts. ORS requires the Report to the Plan Amendment identify the tax revenues for affected taxing districts in the year after the termination of the URA. These numbers are shown in Exhibit 3 below. These are estimates only; changes in the economy may impact the projections.

---

<sup>1</sup> The total cumulative tax increment revenue collected by the City is the same in both revenue sharing scenarios. However, the total impacts to the overlapping taxing districts are slightly different. This is due to the presence of a general obligation (GO) bond through FYE 2020. This results in the City's existing policy having a slightly increased impact on taxing districts than the statutory formula, because the City's policy results in a larger portion of revenue collected after the GO bond expires. This difference for the Clackamas ESD Taxing District is \$834.

**Exhibit 3. Tax Revenues After Termination of Tax Increment Financing**

Taxing District	Type	Tax Rate	Tax Revenue in FYE 2024 (year after termination)			Total
			From Frozen Base	From Excess Value (Used)	From Excess Value (Not Used)	
<b>General Government</b>						
Clackamas County	Permanent	2.4042	\$ 105,996	\$ 617,788	\$ 605,364	\$ 1,329,148
City of Wilsonville	Permanent	2.5206	\$ 111,128	\$ 647,699	\$ 634,673	\$ 1,393,500
County Extension & 4-H	Permanent	0.0500	\$ 2,204	\$ 12,848	\$ 12,590	\$ 27,642
County Library	Permanent	0.3974	\$ 17,520	\$ 102,117	\$ 100,063	\$ 219,700
County Soil Conservation	Permanent	0.0500	\$ 2,204	\$ 12,848	\$ 12,590	\$ 27,642
FD64 TVF&R	Permanent	1.5252	\$ 67,243	\$ 391,919	\$ 384,037	\$ 843,199
Port of Portland	Permanent	0.0701	\$ 3,091	\$ 18,013	\$ 17,651	\$ 38,755
Road District 15 Wilsonville	Permanent	0.0000	\$ -	\$ -	\$ -	\$ -
Srv 2 Metro	Permanent	0.0966	\$ 4,259	\$ 24,823	\$ 24,323	\$ 53,405
Vector Control	Permanent	0.0065	\$ 287	\$ 1,670	\$ 1,637	\$ 3,594
<i>Subtotal</i>		<i>7.1206</i>	<i>\$ 313,932</i>	<i>\$ 1,829,725</i>	<i>\$ 1,792,928</i>	<i>\$ 3,936,585</i>
<b>Education</b>						
West Linn-Wilsonville School District	Permanent	4.8684	\$ 214,637	\$ 1,250,994	\$ 1,225,836	\$ 2,691,467
Clackamas Community College	Permanent	0.5582	\$ 24,610	\$ 143,436	\$ 140,552	\$ 308,598
Clackamas ESD	Permanent	0.3687	\$ 16,255	\$ 94,742	\$ 92,837	\$ 203,834
<i>Subtotal</i>		<i>5.7953</i>	<i>\$ 255,502</i>	<i>\$ 1,489,172</i>	<i>\$ 1,459,225</i>	<i>\$ 3,203,899</i>
<b>Total</b>		<b>12.9159</b>	<b>\$ 569,434</b>	<b>\$ 3,318,897</b>	<b>\$ 3,252,153</b>	<b>\$ 7,140,484</b>

Source: Tiberius Solutions

**Summary of impacts**

The key takeaways regarding the impact of the proposed Amendment to the Clackamas ESD Taxing District are summarized below:

- The amendment will extend the life of the URA by three years to generate sufficient funding for the Boeckman Dip Bridge project. This project will improve the safety of Boeckman Road for all modes of transportation and will help facilitate the future development in the Frog Pond area, that will add significant new value to the tax rolls.
- The three-year extension of the URA will have a negative impact on permanent rate levy tax collections, resulting in \$400,046 in additional foregone revenue from the Clackamas ESD Taxing District.
- The City's existing policy to cap tax increment collections at \$4M per year results in a lower annual impact to the Clackamas ESD Taxing District than the statutory formula for revenue sharing.

**Process for Review**

The process for final review of the Amendment and Report include the following steps:

Dec. 11-15, 2017	Send formal notice to taxing jurisdictions
Dec. 13, 2017	Planning Commission hearing
Jan. 2018	Presentation to and approval consideration by Clackamas County Commission
Dec./Jan., 2017-18	Notice to property owners
Feb. 22, 2018	Wilsonville City Council public hearing
March 5, 2018	Tentatively scheduled Wilsonville City Council vote

The draft Year 2000 Urban Renewal Plan Amendment and Report are enclosed with this letter. If you would like to provide written comments, the Wilsonville City Council will respond to them. Please provide any written comments by February 22, 2018. For more information, please contact Jordan Vance, Economic Development Manager at 503-570-1539 [vance@ci.wilsonville.or.us](mailto:vance@ci.wilsonville.or.us).

Sincerely,

Bryan Cosgrove  
City Manager  
City of Wilsonville  
29799 SW Town Center Loop E  
Wilsonville, Oregon 97070

**Attachments:**

- A: Year 2000 Urban Renewal Plan Amendment
- B: Report on the Year 2000 Urban Renewal Plan Amendment
- D: Urban Renewal Area Map

## Year 2000 Urban Renewal Plan 11<sup>th</sup> Amendment

### Substantial Amendment

The following changes are made to the Year 2000 Urban renewal Plan. Deletions are shown in ~~crossout~~ and additions are shown in *unbolded italics*.

#### **SECTION 404 – Consistency of City’s Comprehensive Plan**

Transportation:

*The Eleventh Amendment is in conformance with the Transportation section of the Comprehensive Plan as the project to be added to the Plan is a transportation project to allow for a more safe and efficient transportation system.*

#### **SECTION 405 – Consistency with Economic Development Policy**

*The Eleventh Amendment is in conformance with the Economic Development Policy as the project to be added to the Plan is a transportation project to allow for a safer and more efficient transportation system, allowing for continued growth on employment land and improved transportation access for the residential sector to support employment by providing housing opportunities.*

#### **SECTION 600 – URBAN RENEWAL ACTIVITIES**

##### **601 Urban Renewal Projects and Improvement Activities**

###### **A) Roads, Including Utility Work Indicated:**

*(14)) Boeckman Dip Bridge: The City of Wilsonville (City) recently completed master planning the 175-acre Frog Pond West area that will include improvements to a section of Boeckman Road over Boeckman Creek; the Boeckman Creek canyon is designated SROZ. Currently, this is a decades-old rural road constructed on an embankment with vertical grades that fail to comply with AASHTO (American Association of State Highway and Transportation Officials) design criteria. The road is substandard for urban use and presents safety concerns for all travel modes. The embankment blocks both salmonid and wildlife passage. The roadway lacks bike lanes and a north-side sidewalk, and the “dip” forces emergency services to slow in this area. The City’s Transportation System Plan (TSP) designates the road as a Minor Arterial; the currently planned project will address all of the shortcomings mentioned above and provide an important connection for vehicles, pedestrians and bicyclists to all residential and employment areas east and west of Boeckman Creek and the new Meridian Creek Middle School. Sewer, water, and stormwater utilities will be upgraded or relocated as needed.*

##### **602 Acquisition of Real Property**

**E) Property Which May Be Acquired by Plan Amendment:** The Agency has identified the following properties for acquisition pursuant to Section 602 of the Plan:

3) *Portions of the following tax lots may be acquired for additional right-of-way or easements concerning the Boeckman Dip Project (see attached PART TWO EXHIBITS – YEAR 2000 PLAN Exhibit 8).*

- 31W12D 03200
- 31W12D 03300
- 31W12D 02700
- 31W12D 02600
- 31W13AB15505
- 31W13B 00100
- 31W13B 00200
- 31W13B 00301
- 31W13B 02402

## **SECTION 700 – FINANCING OF URBAN RENEWAL INDEBTEDNESS**

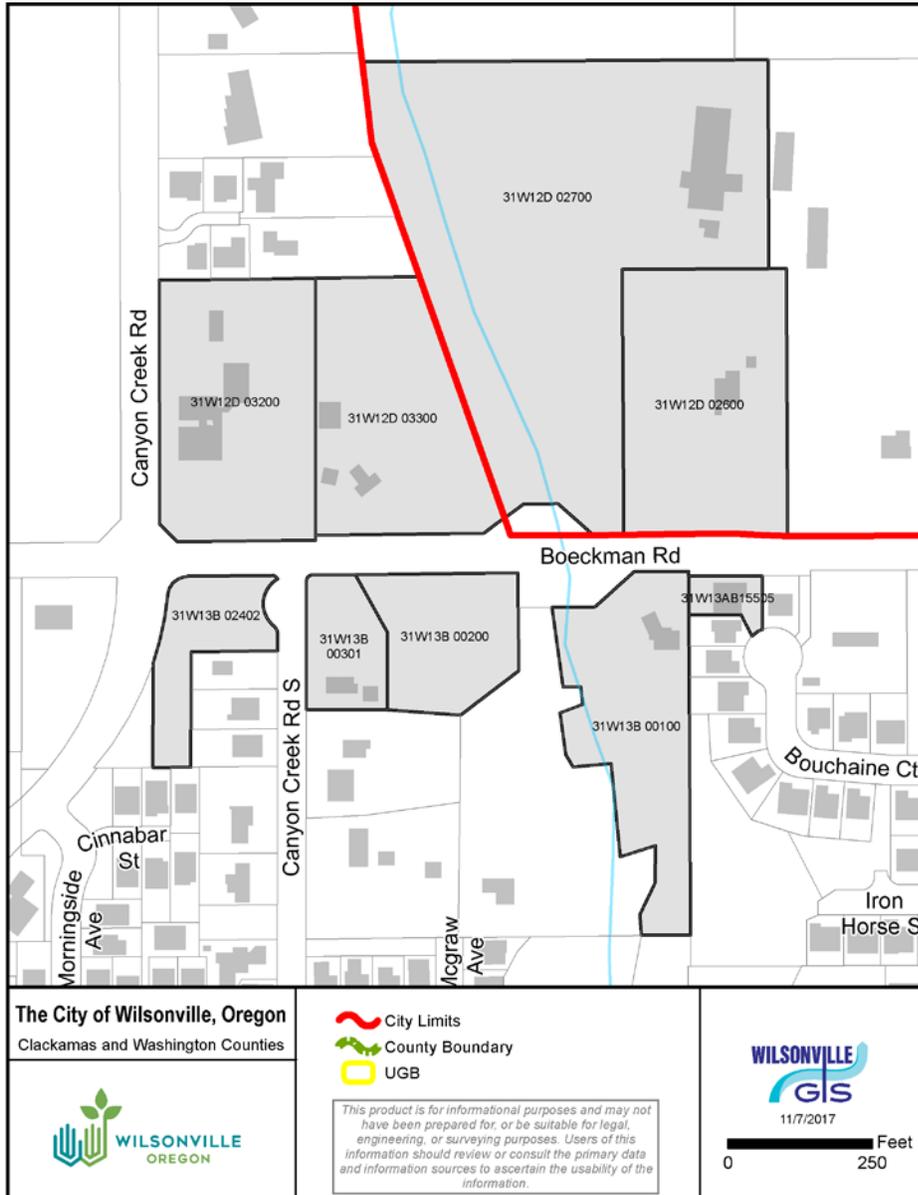
705 **Maximum Amount of Indebtedness** – The maximum amount of indebtedness that may be issued or incurred under the Plan is increased from ~~\$53,851,923.00~~–~~\$92,687,423.00~~ by ~~\$38,835,500.00~~ ~~\$14,509,101~~ to a new total of ~~\$92,687,423~~–~~\$107,196,524~~. This is based upon good faith estimates of the scope and costs of projects in the Plan and the schedule for their completion as completion dates were anticipated as of ~~March 1, 2007~~ *October 1, 2017*. The estimates included, but were not limited to, increases in costs due to reasonably anticipated inflation. This amount is the principal of such indebtedness and does not included interest or indebtedness incurred to refund or refinance existing indebtedness. (*Amended by Ordinance No. 498 – June 15, 1998 and Amended by Ordinance No. 639 – August 20, 2007 and Amended by Ordinance No. \_\_\_\_\_ on \_\_\_\_\_.*)

# PART TWO

## EXHIBITS – YEAR 2000 PLAN

### 8. Potential Parcels to be Acquired for Boeckman Dip Project (portions of these parcels)

EXHIBIT 8



# **Report Accompanying the Year 2000 Urban Renewal Plan 11<sup>th</sup> Amendment**

**DRAFT REPORT DATE – OCTOBER 30, 2017**

Adopted by the City of Wilsonville

**DATE**

**Ordinance No. \_\_\_\_**

## **The Year 2000 Urban Renewal Area**

Consultant Team

**Elaine Howard Consulting, LLC**

Elaine Howard  
Scott Vanden Bos

**Tiberius Solutions LLC**

Nick Popenuk  
Ali Danko  
Rob Wyman

## TABLE OF CONTENTS

I.	INTRODUCTION .....	1
II.	EXISTING PHYSICAL, SOCIAL, AND ECONOMIC CONDITIONS AND IMPACTS ON MUNICIPAL SERVICES .....	3
III.	REASONS FOR SELECTION OF EACH URBAN RENEWAL AREA IN THE PLAN .....	12
IV.	THE RELATIONSHIP BETWEEN URBAN RENEWAL PROJECTS AND THE EXISTING CONDITIONS IN THE URBAN RENEWAL AREA .....	12
V.	THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT .....	13
VI.	THE ESTIMATED AMOUNT OF TAX INCREMENT REVENUES REQUIRED AND THE ANTICIPATED YEAR IN WHICH INDEBTEDNESS WILL BE RETIRED.....	15
VII.	FINANCIAL ANALYSIS OF THE PLAN.....	18
VIII.	IMPACT OF THE TAX INCREMENT FINANCING.....	20
IX.	COMPLIANCE WITH STATUTORY LIMITS ON ASSESSED VALUE AND SIZE OF URBAN RENEWAL AREA.....	24
X.	RELOCATION REPORT.....	24

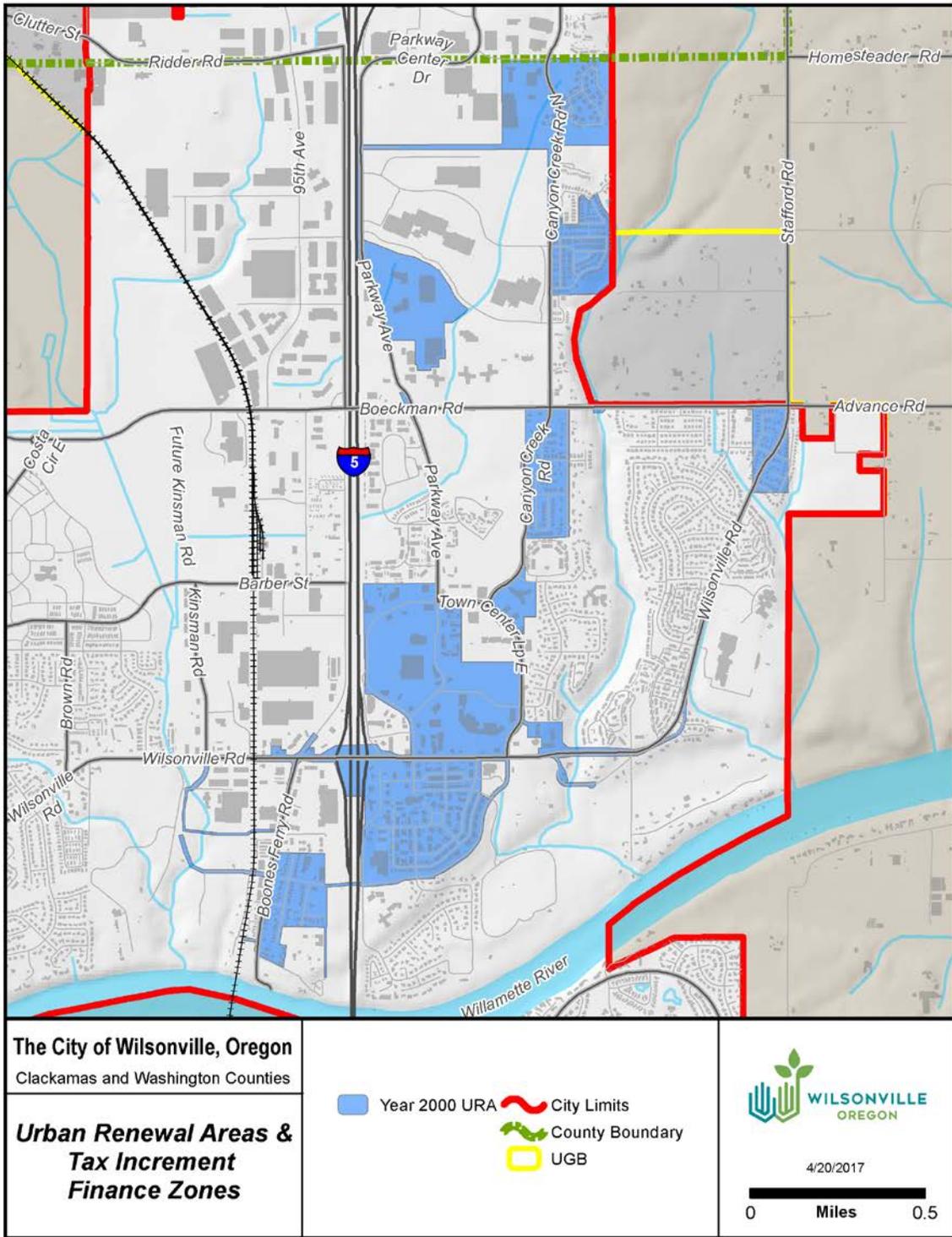
## **I. INTRODUCTION**

The Report on the Year 2000 Urban Renewal Plan Amendment (Report) contains background information and project details that pertain to the Year 2000 Urban Renewal Plan Amendment (Plan). The Report is not a legal part of the Plan, but is intended to provide public information and support the findings made by the City Council as part of the approval of the Plan.

The Report provides the analysis required to meet the standards of ORS 457.085(3), including financial feasibility. The format of the Report is based on this statute. The Report documents the existing conditions in the Year 2000 Urban Renewal Area (Area) as they relate to the proposed projects in the Plan.

The Report provides guidance on how the urban renewal plan might be implemented. As the Wilsonville Urban Renewal Agency (Agency) reviews revenues and potential projects each year, it has the authority to make adjustments to the implementation assumptions in this Report. The Agency may allocate budgets differently, adjust the timing of the projects, decide to incur debt at different timeframes than projected in this Report, and make other changes as allowed in the amendments section of the Plan.

Figure 1 – The Year 2000 Urban Renewal Plan Area Boundary



Source: City of Wilsonville GIS

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

This section of the Report describes existing conditions within The Year 2000 Urban Renewal Area and documents the occurrence of “blighted areas,” as defined by ORS 457.010(1).

### A. Physical Conditions

#### 1. Land Use

The Area measures 454.0 total acres in size, encompassing 325.89 acres included in 657 individual parcels, and an additional 128.11 acres in public rights-of-way. An analysis of FYE 2016-2017 property classification data from the Clackamas County Department of Assessment and Taxation database was used to determine the land use designation of parcels in the Area. By acreage, “Commercial land, improved” accounts for the largest land use within the area (34.22%). This is followed by “Multi-family improved” (21.9%), and “Residential improved” (20.22%). The total land uses in the Area, by acreage and number of parcels, are shown in Table 1.

Table 1 – Existing Land Use in Area

Land Use	Parcels	Acreage	% of Acreage
Commercial land, improved	58	111.52	34.22%
Multi-Family, improved	10	71.38	21.90%
Residential land, improved	436	65.88	20.22%
Industrial land, improved	3	25.03	7.68%
Industrial State appraised	2	18.68	5.73%
Commercial land, vacant	12	14.27	4.38%
Residential land, vacant	57	8.73	2.68%
Residential, condominium	73	4.41	1.35%
Tract land, vacant	1	3.60	1.10%
Industrial land, vacant	3	1.82	0.56%
Tract land, improved	1	0.53	0.16%
Multi-Family, vacant	1	0.05	0.02%
Total	657	325.89	100.00%

Source: Compiled by Tiberius Solutions LLC with data from the Clackamas County Department of Assessment and Taxation (FYE 2017)

## 2. Zoning Designations

As illustrated in Table 2, the most prevalent zoning designation (27.82%) of the Area by acreage is “Planned Development Commercial Town Center”. The second most prevalent zoning designation is “Planned Development Residential-6”, representing 20.82% of the Area.

Table 2 – Existing Zoning Designations

Zoning	Parcels	Acreage	% of Acreage
Planned Development Commercial Town Center	33	90.65	27.82%
Planned Development Residential-6	40	67.84	20.82%
Planned Development Industrial	57	60.34	18.52%
Planned Development Residential-5	213	28.36	8.70%
Planned Development Residential-3	175	25.96	7.97%
Planned Development Commercial	32	25.83	7.93%
Residential Agriculture Holding - Residential	83	19.50	5.98%
Residential	13	3.92	1.20%
Planned Development Residential-4	6	2.56	0.79%
Residential Agriculture Holding - Public	2	0.55	0.17%
Residential Agriculture-Holding	3	0.38	0.12%
Total	657	325.89	100.00%

Source: Compiled by Tiberius Solutions LLC with data from the Clackamas County Department of Assessment and Taxation (FYE 2017) and then cross-referenced with City of Wilsonville data.

## 3. Comprehensive Plan Designations

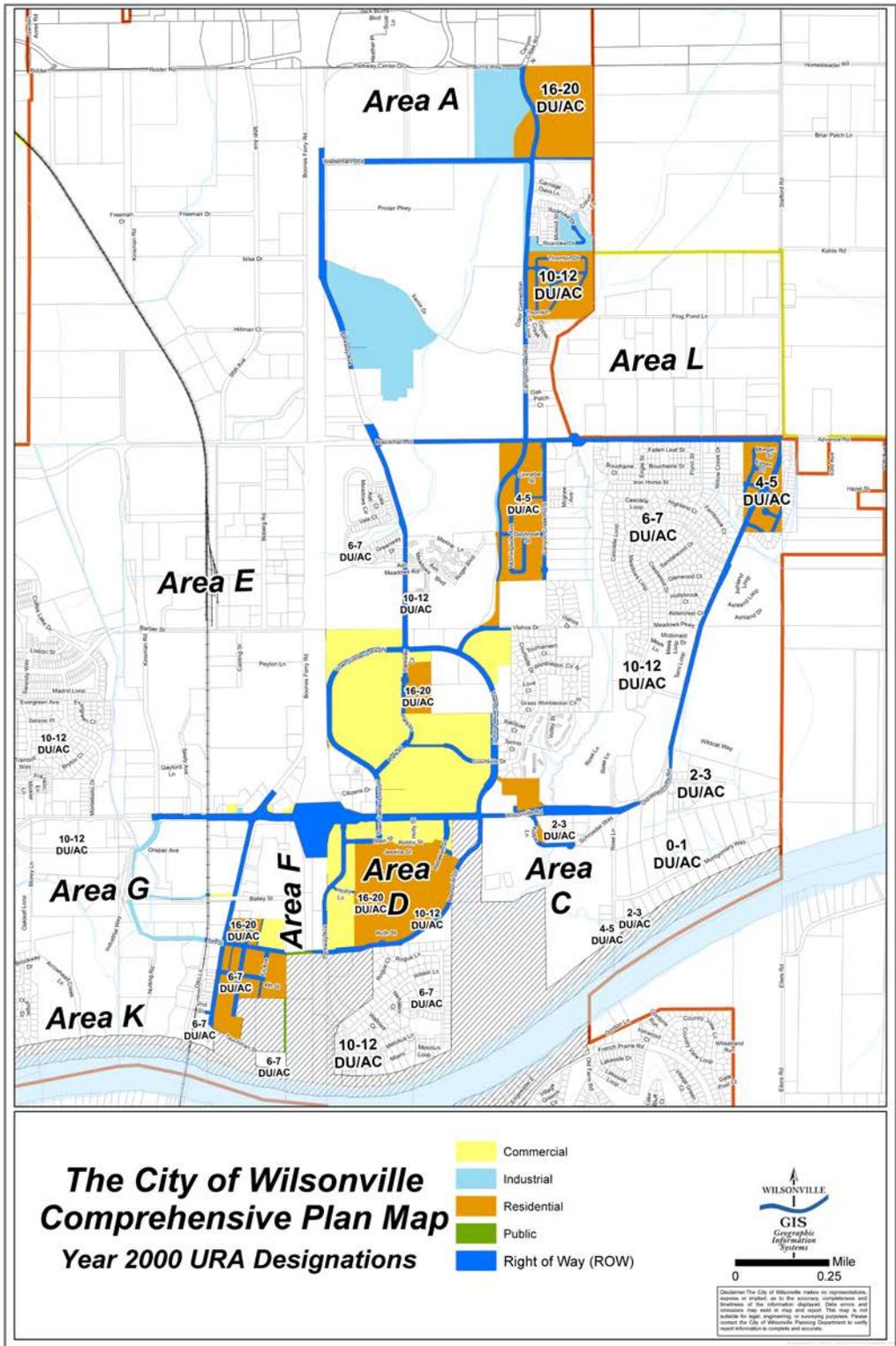
As illustrated in Table 3, the most prevalent comprehensive plan designation (45.58%) of the Area by acreage is “Residential”. The second most prevalent comprehensive plan designation is “Commercial”, representing 35.74% of the Area.

Table 3 – Existing Comprehensive Plan Designations

Comprehensive Plan Designation	Parcels	Acreage	% of Acreage
Residential	533	148.53	45.58%
Commercial	65	116.47	35.74%
Industrial	57	60.34	18.52%
Public	2	0.55	0.17%
Total	657	325.89	100.00%

Source: Compiled by Tiberius Solutions LLC data from the Clackamas County Department of Assessment and Taxation (FYE 2017) and then cross-referenced with City of Wilsonville data.

Figure 2 – Area Comprehensive Plan Designations



Source: City of Wilsonville There are two public designated parcels in the Area, however, they are so small they do not show up on the map.

## B. Infrastructure

This section identifies the existing conditions in the Area to assist in establishing blight. There are projects listed in several City of Wilsonville infrastructure master plans that relate to these existing conditions. **This does not mean that all of these projects are included in the Plan.** The specific projects that are included in the Plan are listed in Sections IV and V of this Report.

### 1. Transportation

The following are capital projects in the Area from the City of Wilsonville Transportation Systems Plan:

Project ID	Project Name	Project Description	Cost
SI-04	Wilsonville Road/Town Center Loop West Intersection Improvements	Widen the north leg of the intersection and install a second southbound right-turn lane (dual lanes).	\$500,000
BW-08	Town Center Loop Pedestrian, Bicycle, and Transit Improvements	Create more direct connections between destinations within Town Center area, improve accessibility to civic uses and transit stops, retrofit sidewalks with curb ramps, highlight crosswalks with colored pavement, and construct similar treatments that support pedestrian, bicycle, and transit access and circulations; also construct shared-use path along Town Center Loop West from Wilsonville Road to Parkway Avenue and restripe Town Center Loop East from Wilsonville Road to Parkway Avenue to a three-lane cross-section with bike facilities	\$500,000
BW-09	Town Center Loop Bike/Pedestrian Bridge	Construct bike/pedestrian bridge over I-5 approximately aligned with Barber Street to improve connectivity of Town Center area with businesses and neighborhoods on west side of I-5; include aesthetic design treatments	\$4,000,000
UU-01	Boeckman Road Dip Improvements	Upgrade at vertical curve east of Canyon Creek Road to meet applicable cross-section standards (i.e., 3 lanes with bike lanes, sidewalks, and transit stop improvements); options should also be considered to make connections to the regional trail system and to remove the culvert and install a bridge	\$12,220,000
LT-P4	Canyon Creek Trail	Shared Use Path from Canyon Creek Park to Boeckman Creek Trail providing connectivity to the neighborhoods to the south	\$200,000

### 2. Water

The following are capital projects in the Area from the City of Wilsonville's Water Master Plan:

Project ID	Description	Total Estimated Cost
168	10-inch Loop (Appts E. of Canyon Creek/Burns)	\$41,000
169	8-inch Loop between Vlahos and Canyon Creek	\$42,000
260	10-inch Extension on 4th Street (E. of Fir)	\$69,000
261	8-inch Loop - Magnolia to Tauchman	\$59,000
271	8-inch Loop near Parkway Center/Burns	\$66,000
273	12-inch Loop crossing Boeckman	\$16,000
274	8-inch Loop at Holly/Parkway	\$56,000
285	8-inch Upgrade on Boones Ferry Road (south of 2nd Street)	\$44,000
*	Pipeline and Valve Replacement (Annual Budget for 20-year planning period)	\$173,000
*	Meter Replacement (Annual Budget for 20-year Planning Period)	\$50,000

### 3. Stormwater

The following are projects in the Area from the City of Wilsonville's Stormwater Master Plan (please note that CMP is corrugated metal pipe):

Project ID	Project Name	Project Location	Existing Conditions	Proposed Solution	Cost Estimate
BC-8	Canyon Creek Estates Pipe Removal	Colvin Lane in Canyon Creek Estates	Erosion is occurring upstream and downstream of an existing culvert in the channel. Side slopes of the channel are steep, which enhances natural erosion.	Removal of the culvert and rehabilitation of the creek channel are proposed to fix existing and future channel erosion. Planting of vegetation following removal of the culvert will need to include techniques that strengthen the creek banks through bio-engineering, such as live stakes made from live cuttings of plants that enhance bank stability or other reinforcing techniques.	\$129,504
BC-5	Boeckman Creek Outfall Realignment	Boeckman Creek, north of SW Wilsonville Road	An 18-inch CMP outfall to Boeckman Creek that drains approximately 11 acres, about 300 feet north of Wilsonville Road, is installed perpendicular to the creek and discharges to a bubbler structure about 3 feet high. Water builds up in the pipe until it flows out of the top of the structure. Some erosion is occurring around the bubbler structure resulting from water dropping out of the top of the structure under pressure.	Realign the last few segments of the pipe and remove the bubbler structure. The pipe would be realigned to allow water to discharge downstream in the direction of the creek flow, reducing the erosion occurring at the outfall. Along with the riprap for energy dissipation and vegetation for stability of the riparian area, this project would assist in stabilizing the outfall.	\$38,441
ST-7	Boeckman Creek at Boeckman Road Stormwater Study	Boeckman Creek at Boeckman Road	Boeckman Creek at Boeckman Road is currently being used as a water control structure for upstream developments.	Boeckman Road may be replaced with a bridge structure, which would affect the detention facility. This study would evaluate options and identify alternatives for regional detention for upstream drainage.	\$57,000

#### 4. Sanitary Sewer

The following are projects in the Area from the City of Wilsonville’s Wastewater Master Plan (please note that LF is linear feet):

Project ID	Name	Description	Project Limits	Estimated Cost
CIP-09	Parkway Interceptor	Gravity - Pipe Upsizing. 4,540 LF 12" pipe; 150 LF 15" pipe	From Elligsen Road to Boeckman Road	\$4,360,000
CIP-05	Boeckman Interceptor Phase 1	Gravity - Pipe Upsizing. 2,320 LF 18" pipe; 920 LF 21" pipe; 970 LF 24" pipe	From High School Interceptor to Memorial Park Pump Station	\$4,270,000
CIP-06	Boeckman Interceptor Phase 2	Gravity - Pipe Upsizing. 3,760 LF 18" pipe	From Boeckman Road to High School Interceptor	\$3,240,000
CIP-12	Memorial Drive Flow Splitter Structure	Flow Splitter Structure - Replacement. Replace Diversion Structure	I-5 Downstream of Memorial Park Pump Station	\$150,000
CIP-16*	Pipe Replacement (0 To 5 Years)	Gravity - Pipe Replacement. Approximately 930 LF Annually; Varied pipe diameters	Various, Approximately \$360,000 Annually	\$1,750,000
CIP-17	Town Center Loop Pump Station	Pump Station - Replacement. Replace Pump Station	Existing pump station	\$440,000
CIP-19	Boones Ferry Park Grinder Pump	Pump Station - Restroom Grinder Pump. New grinder pump for park restrooms	Boones Ferry Park	\$30,000
CIP-22*	Pipe Replacement (6 To 10 Years)	Gravity - Pipe Replacement. Approximately 930 LF Annually; Varied pipe diameters	Various, Approximately \$360,000 Annually	\$1,750,000
CIP-25*	Pipe Replacement (11 To 20 Years)	Gravity - Pipe Replacement. Approximately 930 LF Annually; Varied pipe diameters	Various, Approximately \$360,000 Annually	\$1,750,000
CIP-33	Frog Pond/Advance RD Urban Reserve Area - SW Boeckman Road	Gravity - New Pipe. 2,800 LF 18" pipe	From Stafford Road to Boeckman Creek	\$4,170,000

#### 5. Parks and Open Space

The following was reported by Jordan Vance, Economic Development Manager:

“The City’s Bicycle & Pedestrian Master Plan, Dec. 2006, recommends adding the Boeckman Creek Trail and describes it as ‘a critical piece of the potential regional trail loop around Wilsonville, linking to Memorial Park to the South, the Tonquin Trail to the West, and the Stafford Spur Trail to the East. Establishing the Boeckman Creek Trail as a regional trail would increase its usage, provide a much-needed north-south bikeway/walkway corridor and offer an amazing community amenity. This would entail adding a hard surface to facilitate non-motorized travel by wheeled vehicles such as wheelchairs, bicycles, inline skates, and skateboards.’

The City’s Frog Pond West Master Plan (July 2017) and Financing Plan includes further discussion regarding the need for the Boeckman Bridge, upgrades to the Boeckman Interceptor and extending the Boeckman Creek Trail into Frog Pond, ‘The Boeckman Creek Regional Trail will be both a neighborhood amenity and a key pedestrian connection to adjacent areas. South of Boeckman Road, the trail will run within the creek canyon along the sewer line easement. After passing under the future Boeckman Road bridge (which will span the “dip”), the trail will climb to the top of the bank and run along the edge of the vegetated corridor/SROZ and the western edge of the Frog Pond West neighborhood.’”

### C. Social Conditions

Data from the US Census Bureau are used to identify social conditions in the Area. The geographies used by the Census Bureau to summarize data do not strictly conform to the Plan Area. As such, the Census Bureau geographies that most closely align to the Plan Area are used, which, in this case, is Block Group 1, Census Tract 227.10 and Block Group 1, Census Tract 244. Within the Area, there are 554 tax lots shown as residential use. According to the US Census Bureau, American Community Survey (ACS) 2010-14, the block groups have 5,816 residents, 87% of whom are white.

Table 4 – Race in the Area

Race	Number	Percent
White alone	5,053	87%
Black or African American alone	67	1%
American Indian and Alaska Native alone	92	2%
Asian alone	375	6%
Native Hawaiian and Other Pacific Islander alone	25	0%
Some other race alone	-	0%
Two or more races	204	4%
<b>Total</b>	<b>5,816</b>	<b>100%</b>

Source: American Community Survey 2011-2015 Five-Year Estimates

The largest percentage of residents in the block groups are between 25 to 34 years of age (22%).

Table 5 – Age in the Area

Age	Number	Percent
Under 5 years	339	6%
5 to 9 years	578	10%
10 to 14 years	324	6%
15 to 17 years	230	4%
18 to 24 years	520	9%
25 to 34 years	1,256	22%
35 to 44 years	977	17%
45 to 54 years	691	12%
55 to 64 years	524	9%
65 to 74 years	282	5%
75 to 84 years	37	1%
85 years and over	58	1%
<b>Total</b>	<b>5,816</b>	<b>100%</b>

Source: American Community Survey 2011-2015 Five-Year Estimates

In the block group, 41% of adult residents have earned a bachelor’s degree or higher. Another 41% have some college education without a degree, and another 17% have graduated from high school with no college experience.

Table 6 – Educational Attainment in the Area

Education	Number	Percent
Less than high school	96	3%
High school graduate (includes equivalency)	642	17%
Some college	1,215	32%
Associate's degree	338	9%
Bachelor's degree	943	25%
Master's degree	449	12%
Professional school degree	103	3%
Doctorate degree	39	1%
<b>Total</b>	<b>3,825</b>	<b>100%</b>

Source: American Community Survey 2011-2015 Five-Year Estimates

In the block group, 24% of commuters drove less than 10 minutes to work, and another 21% of commuters drove 10 to 19 minutes to work.

Table 7 – Travel Time to Work in the Area

Travel time to work	Number	Percent
Less than 10 minutes	736	24%
10 to 19 minutes	657	21%
20 to 29 minutes	458	15%
30 to 39 minutes	677	22%
40 to 59 minutes	460	15%
60 to 89 minutes	53	2%
90 or more minutes	25	1%
<b>Total</b>	<b>3,066</b>	<b>100%</b>

Source: American Community Survey 2011-2015 Five-Year Estimates

Of the means of transportation used to travel to work, the majority, 72%, drove alone with another 12% carpooling.

Table 8 – Means of Transportation to Work in the Area

Means of Transportation to Work	Number	Percent
Drove alone	2,467	72%
Carpooled	397	12%
Public transportation (includes taxicab)	106	3%
Motorcycle	-	0%
Bicycle	-	0%
Walked	73	2%
Other means	23	1%
Worked at home	375	11%
<b>Total</b>	<b>3,441</b>	<b>100%</b>

Source: American Community Survey 2011-2015 Five-Year Estimates

## D. Economic Conditions

### 1. Taxable Value of Property within the Area

The estimated total assessed value of the Area calculated with data from the Clackamas County Department of Assessment and Taxation for FYE 2017, including all real, personal, manufactured, and utility properties, is estimated to be \$438,251,352 of which \$44,087,806 is frozen base and \$394,163,546 is excess value above the frozen base.

### 2. 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 Value Ratio," or "I:L." The values used are real market values. In urban renewal areas, the I:L is often used to measure the intensity of development or the extent to which an area has achieved its short- and long-term development objectives.

Table 10 below shows the improvement to land ratios for properties within the Area. One hundred and forty-six parcels in the area (17.79% of the acreage) have I:L ratios of 1.0 or less. In other words, the improvements on these properties are worth less than the land they sit on. A reasonable I:L ratio for properties in the Area is greater than or equal to 2.0. Only 269 of the 657 parcels in the Area, totaling 57.68% of the acreage have I:L ratios of greater than or equal to 2.0 in FYE 2017. In summary, the Area is underdeveloped and not contributing significantly to the tax base in Wilsonville.

Table 10 – I:L Ratio of Parcels in the Area

Improvement/Land Ratio			% Total
	Parcels	Acres	Acres
No Improvement Value	90	32.98	10.12%
0.01-0.50	17	9.34	2.87%
0.51-1.00	39	15.64	4.80%
1.01-1.50	63	30.63	9.40%
1.51-2.00	179	49.34	15.14%
2.01-2.50	143	58.00	17.80%
2.51-3.00	33	21.19	6.50%
3.01-4.00	9	14.91	4.58%
> 4.00	84	93.86	28.80%
Total	657	325.89	100.00%

Source: Calculated by Tiberius Solutions LLC with data from Clackamas County Department of Assessment and Taxation (FYE 2017)

### **E. Impact on Municipal Services**

The fiscal impact of tax increment financing on taxing districts that levy taxes within the Area (affected taxing districts) is described in Section IX of this Report. This subsection discusses the fiscal impacts resulting from potential increases in demand for municipal services.

The project being considered for future use of urban renewal funding is a transportation project. The use of urban renewal funding for this project provides an alternative funding source besides the City of Wilsonville’s General Fund, the Road Operating Fund (gas tax), or system development charges (SDCs).

The financial impacts from tax increment collections will be countered by providing improved infrastructure to serve an area of the city scheduled for future residential development to augment the city’s existing housing stock.

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

The reason for selecting the Area has not changed since inception of the urban renewal plan: to cure blight within the Area.

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

The project identified for the amendment to the Year 2000 Urban Renewal Area is described below, including how it relates to the existing conditions in the Area.

## **A. Transportation Improvements**

1. **Boeckman Road Dip \$14,000,000** – The City of Wilsonville (City) recently completed master planning the 175-acre Frog Pond West area that will include improvements to a section of Boeckman Road over Boeckman Creek; the Boeckman Creek canyon is designated SROZ. The City’s Transportation System Plan (TSP) designates the road as a Minor Arterial; the currently planned project will address all of the shortcomings mentioned in the existing conditions below and provide an important connection for vehicles, pedestrians and bicyclists to all residential and employment areas east and west of Boeckman Creek and to the new Meridian Creek Middle School. The TSP project cost estimate was updated for this report.

Existing conditions: Currently, this is a decades-old rural road constructed on an embankment with vertical grades that fail to comply with AASHTO design criteria. The road is substandard for urban use and presents safety concerns for all travel modes. The embankment blocks both salmonid and wildlife passage. The roadway lacks bike lanes and a north-side sidewalk, and the “dip” forces emergency service vehicles to slow in this area.

## **V. THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT**

The schedule for construction of projects will be based on the availability of funding. The projects will be ongoing and will be completed as directed by the Agency. Annual expenditures for project administration and finance fees are also shown below.

The Area is anticipated to complete all projects and have sufficient tax increment finance revenue to terminate the district in FYE 2023. The projections indicate spending on the Boeckman Dip Bridge project will be completed in FYE 2022. The projections in the financial model assume 3.1% annual growth in the assessed value of real property and a 1.0% change in personal and manufactured property, with no change in utility property.

Estimated annual expenditures by project category are shown in Table 11. All costs shown in Table 11 are in year-of-expenditure dollars, which are adjusted by 3% annually to account for inflation. The Agency may change the completion dates in its annual budgeting process or as project decisions are made in administering the Plan.

Table 11 – Projects and Costs in Year of Expenditure Dollars

URA PROJECTS FUND	Total	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022
<b>Resources</b>						
Beginning Balance		\$ 1,808,885	\$ 3,011,528	\$ 1,823,664	\$ 254,688	\$ 275,988
Interest Earnings	\$ 71,748	\$ 18,089	\$ 30,115	\$ 18,237	\$ 2,547	\$ 2,760
Inter-Agency Loan	\$ 22,810,686	\$ 3,000,000	\$ 5,300,000	\$ 9,700,000	\$ 3,589,434	\$ 1,221,252
Bond/Loan Proceeds	\$ 2,900,000	\$ -	\$ -	\$ -	\$ 2,900,000	\$ -
Other	\$ -					
Total Resources	\$ 25,782,434	\$ 4,826,974	\$ 8,341,643	\$ 11,541,901	\$ 6,746,669	\$ 1,500,000
<b>Expenditures (YOE \$)</b>						
(Old Town Esc) East West connector	\$ (7,000,000)	\$ (1,100,000)	\$ (3,200,000)	\$ (2,700,000)		
Old Town Street Improvements	\$ (1,868,300)	\$ -	\$ (1,245,533)	\$ (622,767)		
Town Center Planning	\$ (118,000)	\$ (88,000)	\$ (20,000)	\$ (5,000)	\$ (5,000)	
Livability Projects	\$ (2,288,700)	\$ -		\$ (1,769,000)	\$ (519,700)	
Park Improvements	\$ (25,000)		\$ (25,000)			
Boeckman Dip Bridge	\$ (14,000,000)		\$ (1,400,000)	\$ (5,600,000)	\$ (5,600,000)	\$ (1,400,000)
Canyon Creek	\$ -					
Financing Fees	\$ (25,000)				\$ (25,000)	
Project Management and Admin	\$ (2,266,319)	\$ (627,446)	\$ (627,446)	\$ (590,446)	\$ (320,981)	\$ (100,000)
Total Expenditures	\$ (27,591,319)	\$ (1,815,446)	\$ (6,517,979)	\$ (11,287,213)	\$ (6,470,681)	\$ (1,500,000)
Ending Balance		\$ 3,011,528	\$ 1,823,664	\$ 254,688	\$ 275,988	\$ -

Source: Tiberius Solutions LLC

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

Table 12 shows the allocation of tax increment revenues to debt service and loans to the project fund.

It is anticipated that all debt will be retired by FYE 2023 (any outstanding debt will be repaid). The total maximum indebtedness is \$107,196,524, increased from \$92,687,423 by \$14,509,101.

The increase in maximum indebtedness requires concurrence according to ORS 457.220 which limits the increase in maximum indebtedness to 20% of the initial maximum indebtedness as increased annually by inflation. The initial maximum indebtedness of the Year 2000 Plan was \$53,851,923. To adjust the initial maximum indebtedness, the City’s consultant used a 3.0% inflation factor as used in other plans. The inflated maximum indebtedness number used for the 20% calculation was \$94,429,673, and 20% of that was \$18,885,935. That \$18,885,935 added to the original maximum indebtedness yields a potential new maximum indebtedness of \$72,737,858 that would not require concurrence. However, the maximum indebtedness of the Year 2000 Plan is already \$92,687,432, greater than \$72,737,858. This means any change to maximum indebtedness will require concurrence, as the Area’s current maximum indebtedness exceeds the 20% threshold.

Table 12 – Potential Maximum Indebtedness Increases and Concurrence

Present MI		Potential New MI	
\$92,687,432		\$72,737,858	
Initial MI			
\$53,851,923			
Inflation factor		3%	
		Potential MI Increase	Potential MI Plus Initial MI
1-Jul-99	\$55,467,481		
2000	\$57,131,505		
2001	\$58,845,450		
2002	\$60,610,814		
2003	\$62,429,138		
2004	\$64,302,012		
2005	\$66,231,073		
2006	\$68,218,005		
2007	\$70,264,545		
2008	\$72,372,481		
2009	\$74,543,656		
2010	\$76,779,965		
2011	\$79,083,364		
2012	\$81,455,865		
2013	\$83,899,541		
2014	\$86,416,528		
2015	\$89,009,023		
2016	\$91,679,294		
2017	\$94,429,673	\$18,885,935	\$72,737,858

Source: Elaine Howard Consulting LLC

Of the \$107,196,524 maximum indebtedness, it is estimated that \$81,385,000 has been used through the end of FYE 2017. The estimated total amount of tax increment revenues required

to service the remaining maximum indebtedness of \$25,811,524 is \$23,327,472 and is made up of tax increment revenues from permanent rate levies. The reason the amount of tax increment revenues needed to service the remaining maximum indebtedness is less than the remaining maximum indebtedness is because the Tax Increment Finance (TIF) Fund has a beginning balance of \$5,478,203 which has not been converted to debt, and does not yet count against the maximum indebtedness.

The finance plans shown in Table 11 and 13 assume Inter-Agency loans from the City, as well as a new bank loan in FYE 2021 to finance a portion of the cost of the Boeckman Dip Bridge project, as well as to refinance outstanding debt. The interest rate for the new bank loan is estimated at 3.25% with a five-year term. Under this assumption, the existing 2010 Bank of America loan is estimated to be paid off in 2021. The assumed financing plan maintains a debt service coverage ratio of at least 1.5 x total annual debt service payments. Although the assumption is the new loan would have a five-year term, it is anticipated there would be sufficient tax increment finance revenues to pay off the loan early, in FYE 2023, and cease collecting tax increment revenues in that year. It may be noted that the debt service coverage ratio in 2023 is not above 1.5, but that is only because the loan is being paid off early, and the payment being made is substantially larger than the payment required.

The time frame of urban renewal is not absolute; it may vary depending on the actual ability to meet the maximum indebtedness. If the economy is slower, it may take longer; if the economy is more robust than the projections, it may take a shorter time period. The Agency may decide to issue bonds or take on loans on a different schedule, and that will alter the financing assumptions. These assumptions show one scenario for financing and that this scenario is financially feasible.

Table 13 – Tax Increment Revenues and Allocations to Debt Service

TAX INCREMENT FUND	Total	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023
<b>Resources</b>							
Beginning Balance		\$ 8,996,568.00	\$ 9,326,632.00	\$ 7,595,411.00	\$ 1,452,178.00	\$ 250,000.00	\$ 1,403,982.00
Interest Earnings	\$ 290,248	\$ 89,966.00	\$ 93,266.00	\$ 75,954.00	\$ 14,522.00	\$ 2,500.00	\$ 14,040.00
TIF: Current Year	\$ 22,877,472	\$ 3,759,148.00	\$ 3,994,901.00	\$ 3,994,901.00	\$ 3,987,785.00	\$ 3,987,785.00	\$ 3,152,952.00
TIF: Prior Years	\$ 450,000	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00
Bond and Loan Proceeds					\$ 4,785,000.00		
Total Resources	\$ 23,617,720	\$ 12,920,682.00	\$ 13,489,799.00	\$ 11,741,266.00	\$ 10,314,485.00	\$ 4,315,285.00	\$ 4,645,974.00
<b>Expenditures</b>							
<i>Debt Service</i>							
Series 2010 - B of A	\$ (6,562,526)	\$ (594,050.00)	\$ (594,388.00)	\$ (589,088.00)	\$ (4,785,000.00)	\$ -	\$ -
New Loan and Refinancing	\$ (8,026,076)	\$ -	\$ -	\$ -	\$ (1,690,051.00)	\$ (1,690,051.00)	\$ (4,645,974.00)
Total Debt Service	\$ (14,588,602)	\$ (594,050.00)	\$ (594,388.00)	\$ (589,088.00)	\$ (6,475,051.00)	\$ (1,690,051.00)	\$ (4,645,974.00)
<i>Debt Service Coverage Ratio</i>		6.33	6.72	6.78	2.36	2.36	0.68
Inter-Agency Loan	\$ (22,810,686)	\$ (3,000,000.00)	\$ (5,300,000.00)	\$ (9,700,000.00)	\$ (3,589,434.00)	\$ (1,221,252.00)	\$ -
Total Expenditures	\$ (37,399,288)	\$ (3,594,050.00)	\$ (5,894,388.00)	\$ (10,289,088.00)	\$ (10,064,485.00)	\$ (2,911,303.00)	\$ (4,645,974.00)
Ending Balance		\$ 9,326,632.00	\$ 7,595,411.00	\$ 1,452,178.00	\$ 250,000.00	\$ 1,403,982.00	\$ -

Source: Tiberius Solutions LLC

## VII. FINANCIAL ANALYSIS OF THE PLAN

The estimated tax increment revenues through FYE 2023, as shown above, are based on projections of the assessed value of development within the Area and the consolidated tax rate that will apply in the Area. The assumptions include assumed growth in assessed value of 3.1% for real property and 1.0% for personal and manufactured property, derived from a combination of appreciation of existing property values and new construction. No change in value for utility property is assumed.

Additionally, our analysis assumes \$8,975,000 of exception value would be added to the tax roll in FYE 2021, based on a current development proposal in the Area that the City believes is likely to occur.

Table 14 shows the projected incremental assessed value, tax rates and tax increment revenues each year, adjusted for discounts, delinquencies, and compression losses. These projections of increment are the basis for the projections in Tables 11 and 13. Gross TIF is calculated by multiplying the tax rate times the excess value. The tax rate is per thousand dollars of value, so the calculation is “tax rate times excess value divided by one thousand.” The consolidated tax rate includes permanent tax rates and includes one general obligation bond issued by Clackamas Community College. This bond will be impacted through FYE 2020, which is when the bond is scheduled to be repaid in full.

In June 2007, the Agency adopted a resolution to limit future tax increment collections to \$4,000,000 annually (URA Resolution 156) in the Year 2000 Urban Renewal Area. This was originally achieved by reducing the acreage of the URA each year, but the City of Wilsonville instead began under-levying by reducing increment assessed value used when state legislation passed in 2009 to allow it.

Now, each year, the City of Wilsonville uses the UR-50 form to notify the Clackamas County Assessor how much increment value to use. Since FYE 2014, the City of Wilsonville has chosen to use \$303 million in increment each year, which results in TIF revenue of around \$4 million. However, because the consolidated tax rate is decreasing due to expiring bond rates, using \$303 million in increment will not generate \$4 million in TIF revenue in upcoming years. Therefore, our analysis assumes using \$322 million for FYE 2019 and 2020, \$325 million for FYE 2021 and beyond.

Using this increment value should provide TIF revenue very close to \$4 million per year, but the exact amount will depend on adjustments, including discounts for early payment, delinquent taxes, and truncation loss due to rounding. That number is shown in the “Increment Used” column in Table 14. To show the amount of the underlevy each year, Table 14 also includes a “Total Gross TIF” column, which is the amount of tax increment revenues that could have been collected from the “Total Increment” column. The “Total Gross TIF” column less the “Underlevy” column nets the “Gross TIF for URA” column. That gross number is then adjusted for delinquencies to arrive at a “Net TIF for URA”. It is this number, “Net TIF for URA”, that is intended to be no more than \$4,000,000 per year, per direction from the Agency.

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

FYE	Assessed Value		Total Increment	Increment Used	Tax Rate	Tax Increment Finance				
	Total	Frozen Base				Total	Gross TIF	Underlevy	Gross TIF for URA Adjustments	Net TIF for URA
2018	\$451,880,969	\$44,087,806	\$407,793,163	\$303,000,000	13.0594	\$5,325,534	(\$1,368,536)	\$3,956,998	(\$197,850)	\$3,759,148
2019	\$465,934,467	\$44,087,806	\$421,846,661	\$322,000,000	13.0595	\$5,509,106	(\$1,303,947)	\$4,205,159	(\$210,258)	\$3,994,901
2020	\$480,425,029	\$44,087,806	\$436,337,223	\$322,000,000	13.0595	\$5,698,346	(\$1,493,187)	\$4,205,159	(\$210,258)	\$3,994,901
2021	\$504,342,110	\$44,087,806	\$460,254,304	\$325,000,000	12.9159	\$5,944,599	(\$1,746,931)	\$4,197,668	(\$209,883)	\$3,987,785
2022	\$520,017,276	\$44,087,806	\$475,929,470	\$325,000,000	12.9159	\$6,147,057	(\$1,949,389)	\$4,197,668	(\$209,883)	\$3,987,785
2023	\$536,179,643	\$44,087,806	\$492,091,837	\$256,962,100	12.9159	\$6,355,809	(\$3,036,912)	\$3,318,897	(\$165,945)	\$3,152,952

Source: Tiberius Solutions LLC

Notes: TIF is tax increment revenues. Tax rates are expressed in terms of dollars per \$1,000 of assessed value.

## VIII. IMPACT OF THE TAX INCREMENT FINANCING

This section describes the impact of tax increment financing of the maximum indebtedness, both until and after the indebtedness is repaid, upon all entities levying taxes upon property in the 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 due to the Amendment and are estimated through FYE 2023, and are shown in Tables 15a and 15b. Tables 16s and 16b indicate projections of impacts to the taxing districts if there were no Amendment. These impacts through 2019 would have been the same with or without the Amendment, but in 2020 and beyond, there are additional impacts to taxing districts because the Amendment increases the maximum indebtedness, and increases the length of time required to pay off the debt.

The West Linn Wilsonville School District and the Clackamas Education Service District revenues from permanent tax levies are not *directly* affected by the tax increment financing, but the amounts of their taxes divided for the urban renewal plan are shown in the following tables. Under current school funding law, property tax revenues from permanent rate levies are combined with State School Fund revenues to achieve per-student funding targets. Under this system, property taxes foregone due to the use of tax increment financing, are replaced with State School Fund revenues, as determined by a funding formula at the State level.

Tables 15a and 15b show the projected impacts to permanent rate levies of taxing districts as a result of this Plan Amendment. Table 15a shows the general government levies, and Table 15b shows the education levies. Please note that impacts on these tables start in FYE 2020, when the new Maximum Indebtedness begins to be used. Tables 16a and 16b show the projected impacts to permanent rate levies of taxing districts if there were no Amendment. Table 16a shows the general government levies, and Table 16b shows the education levies.

Typically, in an urban renewal plan amendment, the increase in maximum indebtedness is equal to or less than the total impacts to taxing jurisdictions due to the amendment. However, in this Amendment that is not the case. There are two factors impacting taxing districts in a plan amendment that increases maximum indebtedness: 1) the dollars that are paying for projects (included in the maximum indebtedness number); and 2) the dollars paying the interest for the debt incurred to pay for the projects (not included in the maximum indebtedness number). Usually when a plan is amended to increase the maximum indebtedness, more debt is incurred, and as such, the amount of interest paid over the life of the Plan increases. That is not projected to be the case in this Plan. In fact, due to the refinancing of a loan, the amount of interest paid over the life of this Plan is projected to decrease, and decrease enough that it causes the overall impact to the taxing districts due to the Amendment to be less than the increase in maximum indebtedness due to the Amendment.

General obligation bonds and local option levies are impacted by urban renewal if they were originally approved by voters in an election prior to October 6, 2001, and if there are tax

Report Accompanying the Year 2000 Urban Renewal Plan

11<sup>th</sup> Amendment

compression impacts under Measure 5. There are no local option levies approved prior to October 6, 2001 that will still be in effect in the Area at the time that tax increment revenues begin to be collected. There is one bond that will be impacted. The impact of the URA on the bond rate is estimated to be less than \$0.01 per \$1,000 of assessed value. This will result in a very minor increase in property taxes for property owners. Table 17 shows the impacts through the scheduled termination of the bond in FYE 2020. Over the three-year period, for a property with an assessed value of \$100,000, the total cumulative impact would be \$0.39 in increased taxes imposed, as shown in Table 17.

Measure 5 limits property taxes from permanent rates and local option levies to \$10 per \$1,000 real market value for general government and \$5 per \$1,000 real market value for education. For each individual property where the property tax rate exceeds these limits, the property's tax bill is reduced, or compressed, first by decreasing local option levies, and then by decreasing permanent tax rates. Although the presence of urban renewal does not increase the overall tax rate in a jurisdiction, urban renewal is considered its own line item as a general government rate when evaluating the Measure 5 limits. Therefore, all other tax rates, in both general government and education, are slightly reduced to account for this. These reduced rates are called urban-renewal adjusted rates.

When an urban renewal area expires, all the adjusted rates will return to their slightly higher unadjusted rates. The education permanent tax rates and local option levies will increase. The aggregate education tax rate in this area already exceeds the \$5 per \$1,000 of assessed value, and in recent years, many properties experienced compression losses due to the Measure 5 limits. The increase in education tax rates due to the eventual termination of the URA may further increase compression losses for education. Since local option levies are compressed first in any situation where the Measure 5 limit is exceeded, they are at the greatest risk of a reduction in revenue. Therefore, in this urban renewal area, the West-Linn Wilsonville School District local option levy has the highest risk of increased compression when the urban area expires.

The potential concern over compression loss is being monitored by the City of Wilsonville and the School District. Increases in real market values of properties in recent years has alleviated much of the compression losses the School District experienced in years past. If the closure of the URA appears as if it will have significant impact on School District compression losses, the URA is prepared to phase out the collection of TIF revenue more slowly, resulting in a more gradual financial impact on the School District.

Table 18 indicates the projected tax revenue to taxing districts in FYE 2024, once urban renewal is terminated. Table 18 breaks the excess value created by the urban renewal area into two categories, "Used" and "Not Used." The "Used" category refers to the excess value that the Agency used to generate their tax increment revenues. The "Not Used" category refers to the excess value that was created in the urban renewal area, but not used for calculations determining tax increment revenues due to the Agency's decision to under-levy on an annual basis.

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

FYE	County									
	Clackamas County Permanent	City of Wilsonville Permanent	Extension & 4-H Permanent	County Library Permanent	County Soil Conservation Permanent	FD64 TVF&R Permanent	Port of Portland Permanent	Srv 2 Metro Permanent	Vector Control Permanent	Subtotal Gen. Govt.
2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020	\$ (495,222)	\$ (519,198)	\$ (10,299)	\$ (81,857)	\$ (10,299)	\$ (314,164)	\$ (14,439)	\$ (19,898)	\$ (1,339)	\$ (1,466,715)
2021	\$ (756,258)	\$ (792,872)	\$ (15,728)	\$ (125,005)	\$ (15,728)	\$ (479,762)	\$ (22,050)	\$ (30,386)	\$ (2,045)	\$ (2,239,834)
2022	\$ (756,258)	\$ (792,872)	\$ (15,728)	\$ (125,005)	\$ (15,728)	\$ (479,762)	\$ (22,050)	\$ (30,386)	\$ (2,045)	\$ (2,239,834)
2023	\$ (600,860)	\$ (629,950)	\$ (12,496)	\$ (99,319)	\$ (12,496)	\$ (381,179)	\$ (17,519)	\$ (24,142)	\$ (1,624)	\$ (1,779,585)
Total	\$ (2,608,598)	\$ (2,734,892)	\$ (54,251)	\$ (431,186)	\$ (54,251)	\$ (1,654,867)	\$ (76,058)	\$ (104,812)	\$ (7,053)	\$ (7,725,968)

Source: Tiberius Solutions LLC – note there are no impacts due to the Amendment until FYE 2020 when new MI is used.

**Table 15b – Projected Impact of Amendment on Taxing District Permanent Rate Levies – Education**

FYE	West Linn- Wilsonville School District Permanent	Clackamas Community College Permanent	Clackamas ESD Permanent	Subtotal Education	Total All
	2018	\$ -	\$ -	\$ -	\$ -
2019	\$ -	\$ -	\$ -	\$ -	\$ -
2020	\$ (1,002,802)	\$ (114,979)	\$ (75,946)	\$ (1,193,727)	\$ (2,660,442)
2021	\$ (1,531,389)	\$ (175,586)	\$ (115,977)	\$ (1,822,952)	\$ (4,062,786)
2022	\$ (1,531,389)	\$ (175,586)	\$ (115,977)	\$ (1,822,952)	\$ (4,062,786)
2023	\$ (1,216,714)	\$ (139,506)	\$ (92,146)	\$ (1,448,366)	\$ (3,227,951)
Total	\$ (5,282,294)	\$ (605,657)	\$ (400,046)	\$ (6,287,997)	\$ (14,013,965)

Source: Tiberius Solutions LLC note there are no impacts due to the Amendment until FYE 2020 when new MI is used.

Please refer to the explanation of the schools funding in the preceding section

**Table 16a – Projected Impact Plan on Taxing District Permanent Rate Levies - General Government – Without Amendment**

FYE	County									
	Clackamas County Permanent	City of Wilsonville Permanent	Extension & 4-H Permanent	County Library Permanent	County Soil Conservation Permanent	FD64 TVF&R Permanent	Port of Portland Permanent	Srv 2 Metro Permanent	Vector Control Permanent	Subtotal Gen. Govt.
2018	\$ (705,856)	\$ (740,030)	\$ (14,680)	\$ (116,674)	\$ (14,680)	\$ (447,788)	\$ (20,581)	\$ (28,361)	\$ (1,908)	\$ (2,090,558)
2019	\$ (749,252)	\$ (785,527)	\$ (15,582)	\$ (123,847)	\$ (15,582)	\$ (475,318)	\$ (21,846)	\$ (30,105)	\$ (2,026)	\$ (2,219,085)
2020	\$ (254,030)	\$ (266,329)	\$ (5,283)	\$ (41,990)	\$ (5,283)	\$ (161,154)	\$ (7,407)	\$ (10,207)	\$ (687)	\$ (752,370)
Total	\$ (1,709,138)	\$ (1,791,886)	\$ (35,545)	\$ (282,511)	\$ (35,545)	\$ (1,084,260)	\$ (49,834)	\$ (68,673)	\$ (4,621)	\$ (5,062,013)

Source: Tiberius Solutions LLC – note this expires when the MI is reached.

Table 16b – Projected Impact on Taxing District Permanent Rate Levies – Education – Without Amendment

FYE	West Linn- Wilsonville School District Permanent	Clackamas Community College Permanent	Clackamas ESD Permanent	Subtotal Education	Total All
2018	\$ (1,429,328)	\$ (163,884)	\$ (108,248)	\$ (1,701,460)	\$ (3,792,018)
2019	\$ (1,517,202)	\$ (173,959)	\$ (114,903)	\$ (1,806,064)	\$ (4,025,149)
2020	\$ (514,400)	\$ (58,980)	\$ (38,957)	\$ (612,337)	\$ (1,364,707)
<b>Total</b>	<b>\$ (3,460,930)</b>	<b>\$ (396,823)</b>	<b>\$ (262,108)</b>	<b>\$ (4,119,861)</b>	<b>\$ (9,181,874)</b>

Source: Tiberius Solutions LLC – note this expires when the MI is reached.

Table 17 - Projected Impact of GO Bonds

FYE	GO Bond Tax Rate (per \$1,000 AV)			Property Tax Paid per \$100,000 AV		
	Without UR	With UR	Impact of UR	Without UR	With UR	Impact of UR
2018	0.1422	0.1435	0.0013	\$ 14.22	\$ 14.35	\$ 0.13
2019	0.1423	0.1436	0.0013	\$ 14.23	\$ 14.36	\$ 0.13
2020	0.1423	0.1436	0.0013	\$ 14.23	\$ 14.36	\$ 0.13
<b>Total</b>				<b>\$ 42.68</b>	<b>\$ 43.07</b>	<b>\$ 0.39</b>

Source: Tiberius Solutions LLC

Table 18 – Additional Revenues Obtained after Termination of Tax Increment Financing

Taxing District	Type	Tax Rate	Tax Revenue in FYE 2024 (year after termination)				Total
			From Frozen Base	From Excess Value (Used)	From Excess Value (Not Used)		
<b>General Government</b>							
Clackamas County	Permanent	2.4042	\$ 105,996	\$ 617,788	\$ 605,364	\$ 1,329,148	
City of Wilsonville	Permanent	2.5206	\$ 111,128	\$ 647,699	\$ 634,673	\$ 1,393,500	
County Extension & 4-H	Permanent	0.0500	\$ 2,204	\$ 12,848	\$ 12,590	\$ 27,642	
County Library	Permanent	0.3974	\$ 17,520	\$ 102,117	\$ 100,063	\$ 219,700	
County Soil Conservation	Permanent	0.0500	\$ 2,204	\$ 12,848	\$ 12,590	\$ 27,642	
FD64 TVF&R	Permanent	1.5252	\$ 67,243	\$ 391,919	\$ 384,037	\$ 843,199	
Port of Portland	Permanent	0.0701	\$ 3,091	\$ 18,013	\$ 17,651	\$ 38,755	
Srv 2 Metro	Permanent	0.0966	\$ 4,259	\$ 24,823	\$ 24,323	\$ 53,405	
Vector Control	Permanent	0.0065	\$ 287	\$ 1,670	\$ 1,637	\$ 3,594	
<i>Subtotal</i>		<i>7.1141</i>	<i>\$ 313,645</i>	<i>\$ 1,828,055</i>	<i>\$ 1,791,291</i>	<i>\$ 3,932,991</i>	
<b>Education</b>							
West Linn-Wilsonville School District	Permanent	4.8684	\$ 214,637	\$ 1,250,994	\$ 1,225,836	\$ 2,691,467	
Clackamas Community College	Permanent	0.5582	\$ 24,610	\$ 143,436	\$ 140,552	\$ 308,598	
Clackamas ESD	Permanent	0.3687	\$ 16,255	\$ 94,742	\$ 92,837	\$ 203,834	
<i>Subtotal</i>		<i>5.7953</i>	<i>\$ 255,502</i>	<i>\$ 1,489,172</i>	<i>\$ 1,459,225</i>	<i>\$ 3,203,899</i>	
<b>Total</b>		<b>12.9094</b>	<b>\$ 569,147</b>	<b>\$ 3,317,227</b>	<b>\$ 3,250,516</b>	<b>\$ 7,136,890</b>	

Source: Tiberius Solutions LLC

## IX. 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 (assumed to be FYE 2017 values), including all real, personal, personal, manufactured, and utility properties in the Area, is \$44,499,418. The total assessed value of the City of Wilsonville less urban renewal excess is \$2,661,811,027. The percentage of assessed value in the Urban Renewal Area is 7.43%, below the 25% threshold.

The Area contains 454 acres, including public rights-of-way, and the City of Wilsonville contains 4,835 acres. This puts 24.57% of the City’s acreage in an Urban Renewal Area when including the City’s other urban renewal areas, which is below the 25% threshold.

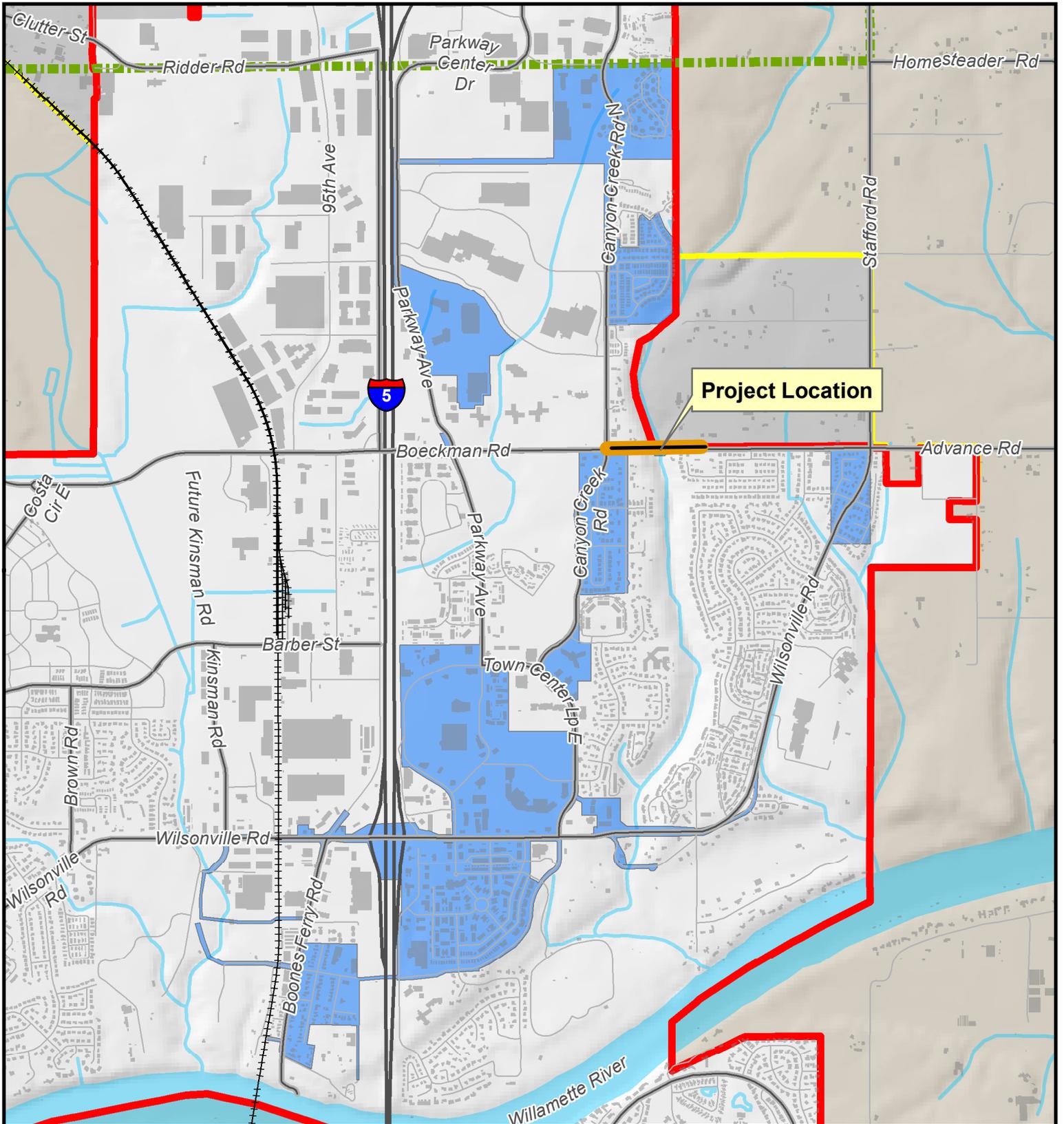
Table 19 – Urban Renewal Area Conformance with Assessed Value and Acreage Limits

Urban Renewal Area	Frozen Base/AV	Acres
West Side URA	\$16,109,831	415
Year 2000 URA	\$44,499,418	454
Coffee Creek	\$99,003,704	258.35
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	\$197,809,027	1188.16
City of Wilsonville	\$3,403,012,022	4,835
UR Excess	\$741,200,995	
City less UR Excess	\$2,661,811,027	
Percent of Total	7.43%	24.57%

Source: Compiled by Elaine Howard Consulting, LLC with data from City of Wilsonville and Washington and Clackamas County Department of Assessment and Taxation (FYE 2017)

## X. RELOCATION REPORT

There is no relocation report required for the Plan. No specific acquisitions that would result in relocation benefits have been currently identified.



The City of Wilsonville, Oregon  
 Clackamas and Washington Counties

**Urban Renewal Areas &  
 Tax Increment  
 Finance Zones**

- Year 2000 URA
- City Limits
- County Boundary
- UGB



12/8/2017





Date: January 9, 2018

Re: Proposed Year 2000 Urban Renewal Plan Amendment

The Wilsonville City Council is considering adoption of an ordinance to amend the Year 2000 Urban Renewal Plan (Plan) to add a project and increase the maximum indebtedness.

To adopt an urban renewal plan amendment, the City is legally required to send the proposed plan amendment to representatives of overlapping taxing districts. The City Council is required to respond specifically to any written recommendations of the districts. This letter officially transmits to the Library Taxing District the proposed Year 2000 Urban Renewal Plan Eleventh Amendment.

The Wilsonville City Council is scheduled to have a public hearing on the proposed Year 2000 Urban Renewal Plan Amendment on February 22, 2018. They are tentatively scheduled to vote on the proposed Year 2000 Urban Renewal Plan Amendment on at their March 5 meeting. Both meetings are at the City Hall, at 7:00 p.m.

## **Background**

At their March 20, 2017 meeting, the Wilsonville City Council was briefed on the Boeckman Road project, which will cost approximately \$14 million and is located within the Year 2000 Plan Urban Renewal Area (Area) boundary. To sufficiently fund the project through urban renewal, a substantial amendment is required. The City presented the issue of a potential Year 2000 Plan amendment to the Wilsonville Urban Renewal Task Force at its April 24, 2017 meeting. The Task Force unanimously recommended that the Year 2000 plan be amended to include the Boeckman Road project. The Wilsonville Urban Renewal Agency met on December 4, 2017 and voted unanimously to send the proposed amendment out for public review.

## **Proposal**

The Year 2000 Urban Renewal Area, shown in the attached map, consists of approximately 454 acres of land, including rights-of-way.

The following are the key issues in the proposed Amendment:

- This is a substantial amendment to the Year 2000 Plan.
- A new project will be added to the Plan: the Boeckman Dip Bridge. This project will construct a bridge across Boeckman Creek that will improve the safety of Boeckman Road for all modes of transportation and will help facilitate the future development in the Frog Pond area, an area that will add significant new value to the tax rolls.
- The “maximum indebtedness” provides a limit on the amount of funds that may be spent on project, programs, and administration of an urban renewal plan. As a part of the Year 2000 Plan Amendment, the maximum indebtedness will be increased by \$14,509,101 to a total of \$107,196,524.
- The amount of the proposed increase in maximum indebtedness exceeds the authority in Oregon Revised Statutes (ORS) 457 for the Wilsonville City Council to approve on their own.
- The proposed amendment would result in the Year 2000 Plan becoming subject to "revenue sharing" provisions of Oregon Revised Statutes (ORS). However, the City of Wilsonville already "underlevies" annual tax increment revenue for the Year 2000 Plan, through a self-imposed cap of \$4 million in annual tax increment revenue. The City's current approach results in more revenue being shared with overlapping taxing districts than the required statutory formula for revenue sharing. However, as the City's approach is different from the sharing requirements of ORS.
- The Plan, if amended, is projected to result in the continued collection of tax increment revenue through FYE 2023.

## **Impact on Taxing Jurisdictions**

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. The City has projected estimated impacts on the taxing jurisdictions through fiscal year (FYE) 2023, after which point in time the City anticipates terminating the Year 2000 Plan and the collection of tax increment revenue. The remainder of this section describes the key takeaways for the Library Taxing District.

### **Impact on permanent rate levy**

The proposed amendment would result in a decrease in Library Taxing District's permanent rate property tax collections. This is attributable to the length of time that the URA collects tax increment revenue to pay off the Plan's maximum indebtedness. Without the amendment, the URA expects to pay off the Plan's maximum indebtedness in FYE 2020. If the Plan is amended, the URA expects to pay off the Plan's maximum indebtedness in FYE 2023.

Exhibit 1 shows the impact to the Library Taxing District permanent rate collections, with and without the proposed urban renewal amendment. If the plan is amended, total revenue for the Library Taxing District would be \$431,186 less than if the Plan was not amended.

*Exhibit 1. Impact to Library Taxing District, With and Without Amendment*

FYE	Impact to District, if not Amended	Impact to District, if Amended	Impact of Amendment
2018	\$ (116,674)	\$ (116,674)	\$ -
2019	\$ (123,847)	\$ (123,847)	\$ -
2020	\$ (41,990)	\$ (123,847)	\$ (81,857)
2021	\$ -	\$ (125,005)	\$ (125,005)
2022	\$ -	\$ (125,005)	\$ (125,005)
2023	\$ -	\$ (99,319)	\$ (99,319)
<b>Total</b>	<b>\$ (282,511)</b>	<b>\$ (713,697)</b>	<b>\$ (431,186)</b>

Source: Tiberius Solutions

**Impacts from revenue sharing**

The proposed substantial amendment will result in the Plan becoming subject to revenue sharing requirements in state statutes. The amount of revenue sharing required by ORS is dependent upon the ratio of annual tax increment revenues to the original frozen base value of the Plan. No revenue sharing is required until annual tax increment revenues exceed 10% of the original maximum indebtedness. For the Year 2000 Plan, the original maximum indebtedness was \$53,851,923. This means that mandatory revenue sharing would begin when tax increment revenues exceed \$5,385,192.

However, the City of Wilsonville already "underlevies" annual tax increment revenue for the Year 2000 Plan, through a self-imposed cap of \$4 million in annual tax increment revenue. Given the City's current policy, the URA would never achieve the level of annual tax increment revenue that would trigger the revenue sharing provisions of ORS. Thus, the district is effectively engaging in a method of revenue sharing that is more generous to affected taxing districts than the system required by ORS.

Exhibit 2 shows the impact of the Year 2000 Plan on the Library Taxing District permanent rate levy, comparing two different scenarios: (1) with the City's existing revenue sharing policy (a \$4m cap in TIF revenue for the URA) versus (2) the statutory revenue sharing formula. Both scenarios result in essentially the same aggregate impact to the Library Taxing District through FYE 2026. However, the \$4M cap results in smaller annual impacts for a longer period of time.<sup>1</sup> Note that property tax bills have already been determined for FYE 2018, which is why there is no difference between the two scenarios for the current fiscal year.

<sup>1</sup> The total cumulative tax increment revenue collected by the City is the same in both revenue sharing scenarios. However, the total impacts to the overlapping taxing districts are slightly different. This is due to the presence of a general obligation (GO) bond through FYE 2020. This results in the City's existing policy having a slightly increased impact on taxing districts than the statutory formula, because the City's policy results in a larger portion of revenue collected after the GO bond expires. This difference for the Library Taxing District is \$900.

*Exhibit 2. Impact of Amendment with Existing Revenue Sharing Policy vs. Statutory Revenue Sharing Requirement*

<b>FYE</b>	<b>Impact to District, if Amended, with \$4m Cap</b>	<b>Impact to District, if Amended, with Statutory Revenue Sharing</b>	<b>Additional Gain or Loss to District if \$4m Cap is Removed</b>
2018	\$ (116,674)	\$ (116,674)	\$ -
2019	\$ (123,847)	\$ (161,542)	\$ (37,695)
2020	\$ (123,847)	\$ (167,013)	\$ (43,166)
2021	\$ (125,005)	\$ (170,017)	\$ (45,012)
2022	\$ (125,005)	\$ (97,551)	\$ 27,454
2023	\$ (99,319)	\$ -	\$ 99,319
<b>Total</b>	<b>\$ (713,697)</b>	<b>\$ (712,797)</b>	<b>\$ 900</b>

Source: Tiberius Solutions

**Tax revenues after termination of tax increment**

Upon termination of the URA, all revenue will be distributed to overlapping taxing districts. ORS requires the Report to the Plan Amendment identify the tax revenues for affected taxing districts in the year after the termination of the URA. These numbers are shown in Exhibit 3 below. These are estimates only; changes in the economy may impact the projections.

*Exhibit 3. Tax Revenues After Termination of Tax Increment Financing*

Taxing District	Type	Tax Rate	Tax Revenue in FYE 2024 (year after termination)			Total
			From Frozen Base	From Excess Value (Used)	From Excess Value (Not Used)	
<b>General Government</b>						
Clackamas County	Permanent	2.4042	\$ 105,996	\$ 617,788	\$ 605,364	\$ 1,329,148
City of Wilsonville	Permanent	2.5206	\$ 111,128	\$ 647,699	\$ 634,673	\$ 1,393,500
County Extension & 4-H	Permanent	0.0500	\$ 2,204	\$ 12,848	\$ 12,590	\$ 27,642
County Library	Permanent	0.3974	\$ 17,520	\$ 102,117	\$ 100,063	\$ 219,700
County Soil Conservation	Permanent	0.0500	\$ 2,204	\$ 12,848	\$ 12,590	\$ 27,642
FD64 TVF&R	Permanent	1.5252	\$ 67,243	\$ 391,919	\$ 384,037	\$ 843,199
Port of Portland	Permanent	0.0701	\$ 3,091	\$ 18,013	\$ 17,651	\$ 38,755
Road District 15 Wilsonville	Permanent	0.0000	\$ -	\$ -	\$ -	\$ -
Srv 2 Metro	Permanent	0.0966	\$ 4,259	\$ 24,823	\$ 24,323	\$ 53,405
Vector Control	Permanent	0.0065	\$ 287	\$ 1,670	\$ 1,637	\$ 3,594
<i>Subtotal</i>		<i>7.1206</i>	<i>\$ 313,932</i>	<i>\$ 1,829,725</i>	<i>\$ 1,792,928</i>	<i>\$ 3,936,585</i>
<b>Education</b>						
West Linn-Wilsonville School District	Permanent	4.8684	\$ 214,637	\$ 1,250,994	\$ 1,225,836	\$ 2,691,467
Clackamas Community College	Permanent	0.5582	\$ 24,610	\$ 143,436	\$ 140,552	\$ 308,598
Clackamas ESD	Permanent	0.3687	\$ 16,255	\$ 94,742	\$ 92,837	\$ 203,834
<i>Subtotal</i>		<i>5.7953</i>	<i>\$ 255,502</i>	<i>\$ 1,489,172</i>	<i>\$ 1,459,225</i>	<i>\$ 3,203,899</i>
<b>Total</b>		<b>12.9159</b>	<b>\$ 569,434</b>	<b>\$ 3,318,897</b>	<b>\$ 3,252,153</b>	<b>\$ 7,140,484</b>

Source: Tiberius Solutions

**Summary of impacts**

The key takeaways regarding the impact of the proposed Amendment to the Library Taxing District are summarized below:

- The amendment will extend the life of the URA by three years to generate sufficient funding for the Boeckman Dip Bridge project. This project will improve the safety of Boeckman Road for all modes of transportation and will help facilitate the future development in the Frog Pond area, that will add significant new value to the tax rolls.
- The three-year extension of the URA will have a negative impact on permanent rate levy tax collections, resulting in \$431,186 in additional foregone revenue from the Library Taxing District.
- The City's existing policy to cap tax increment collections at \$4M per year results in a lower annual impact to the Library Taxing District than the statutory formula for revenue sharing.

**Process for Review**

The process for final review of the Amendment and Report include the following steps:

Dec. 11-15, 2017	Send formal notice to taxing jurisdictions
Dec. 13, 2017	Planning Commission hearing
Jan. 2018	Presentation to and approval consideration by Clackamas County Commission
Dec./Jan., 2017-18	Notice to property owners
Feb. 22, 2018	Wilsonville City Council public hearing
March 5, 2018	Tentatively scheduled Wilsonville City Council vote

The draft Year 2000 Urban Renewal Plan Amendment and Report are enclosed with this letter. If you would like to provide written comments, the Wilsonville City Council will respond to them. Please provide any written comments by February 22, 2018. For more information, please contact Jordan Vance, Economic Development Manager at 503-570-1539 [vance@ci.wilsonville.or.us](mailto:vance@ci.wilsonville.or.us).

Sincerely,

Bryan Cosgrove  
City Manager  
City of Wilsonville  
29799 SW Town Center Loop E  
Wilsonville, Oregon 97070

**Attachments:**

- A: Year 2000 Urban Renewal Plan Amendment
- B: Report on the Year 2000 Urban Renewal Plan Amendment
- D: Urban Renewal Area Map



Date: January 9, 2018

Re: Proposed Year 2000 Urban Renewal Plan Amendment

The Wilsonville City Council is considering adoption of an ordinance to amend the Year 2000 Urban Renewal Plan (Plan) to add a project and increase the maximum indebtedness.

To adopt an urban renewal plan amendment, the City is legally required to send the proposed plan amendment to representatives of overlapping taxing districts. The City Council is required to respond specifically to any written recommendations of the districts. This letter officially transmits to the Port of Portland Taxing District the proposed Year 2000 Urban Renewal Plan Eleventh Amendment.

The Wilsonville City Council is scheduled to have a public hearing on the proposed Year 2000 Urban Renewal Plan Amendment on February 22, 2018. They are tentatively scheduled to vote on the proposed Year 2000 Urban Renewal Plan Amendment on at their March 5 meeting. Both meetings are at the City Hall, at 7:00 p.m.

## **Background**

At their March 20, 2017 meeting, the Wilsonville City Council was briefed on the Boeckman Road project, which will cost approximately \$14 million and is located within the Year 2000 Plan Urban Renewal Area (Area) boundary. To sufficiently fund the project through urban renewal, a substantial amendment is required. The City presented the issue of a potential Year 2000 Plan amendment to the Wilsonville Urban Renewal Task Force at its April 24, 2017 meeting. The Task Force unanimously recommended that the Year 2000 plan be amended to include the Boeckman Road project. The Wilsonville Urban Renewal Agency met on December 4, 2017 and voted unanimously to send the proposed amendment out for public review.

## **Proposal**

The Year 2000 Urban Renewal Area, shown in the attached map, consists of approximately 454 acres of land, including rights-of-way.

The following are the key issues in the proposed Amendment:

- This is a substantial amendment to the Year 2000 Plan.
- A new project will be added to the Plan: the Boeckman Dip Bridge. This project will construct a bridge across Boeckman Creek that will improve the safety of Boeckman Road for all modes of transportation and will help facilitate the future development in the Frog Pond area, an area that will add significant new value to the tax rolls.
- The “maximum indebtedness” provides a limit on the amount of funds that may be spent on project, programs, and administration of an urban renewal plan. As a part of the Year 2000 Plan Amendment, the maximum indebtedness will be increased by \$14,509,101 to a total of \$107,196,524.
- The amount of the proposed increase in maximum indebtedness exceeds the authority in Oregon Revised Statutes (ORS) 457 for the Wilsonville City Council to approve on their own.
- The proposed amendment would result in the Year 2000 Plan becoming subject to "revenue sharing" provisions of Oregon Revised Statutes (ORS). However, the City of Wilsonville already "underlevies" annual tax increment revenue for the Year 2000 Plan, through a self-imposed cap of \$4 million in annual tax increment revenue. The City's current approach results in more revenue being shared with overlapping taxing districts than the required statutory formula for revenue sharing. However, as the City's approach is different from the sharing requirements of ORS.
- The Plan, if amended, is projected to result in the continued collection of tax increment revenue through FYE 2023.

## **Impact on Taxing Jurisdictions**

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. The City has projected estimated impacts on the taxing jurisdictions through fiscal year (FYE) 2023, after which point in time the City anticipates terminating the Year 2000 Plan and the collection of tax increment revenue. The remainder of this section describes the key takeaways for the Port of Portland Taxing District.

### **Impact on permanent rate levy**

The proposed amendment would result in a decrease in Port of Portland Taxing District's permanent rate property tax collections. This is attributable to the length of time that the URA collects tax increment revenue to pay off the Plan's maximum indebtedness. Without the amendment, the URA expects to pay off the Plan's maximum indebtedness in FYE 2020. If the Plan is amended, the URA expects to pay off the Plan's maximum indebtedness in FYE 2023.

Exhibit 1 shows the impact to the Port of Portland Taxing District permanent rate collections, with and without the proposed urban renewal amendment. If the plan is amended, total

revenue for the Port of Portland Taxing District would be \$76,058 less than if the Plan was not amended.

*Exhibit 1. Impact to Port of Portland Taxing District, With and Without Amendment*

FYE	Impact to District, if <u>not</u> Amended	Impact to District, if Amended	Impact of Amendment
2018	\$ (20,581)	\$ (20,581)	\$ -
2019	\$ (21,846)	\$ (21,846)	\$ -
2020	\$ (7,407)	\$ (21,846)	\$ (14,439)
2021	\$ -	\$ (22,050)	\$ (22,050)
2022	\$ -	\$ (22,050)	\$ (22,050)
2023	\$ -	\$ (17,519)	\$ (17,519)
<b>Total</b>	<b>\$ (49,834)</b>	<b>\$ (125,892)</b>	<b>\$ (76,058)</b>

Source: Tiberius Solutions

### Impacts from revenue sharing

The proposed substantial amendment will result in the Plan becoming subject to revenue sharing requirements in state statutes. The amount of revenue sharing required by ORS is dependent upon the ratio of annual tax increment revenues to the original frozen base value of the Plan. No revenue sharing is required until annual tax increment revenues exceed 10% of the original maximum indebtedness. For the Year 2000 Plan, the original maximum indebtedness was \$53,851,923. This means that mandatory revenue sharing would begin when tax increment revenues exceed \$5,385,192.

However, the City of Wilsonville already "underlevies" annual tax increment revenue for the Year 2000 Plan, through a self-imposed cap of \$4 million in annual tax increment revenue. Given the City's current policy, the URA would never achieve the level of annual tax increment revenue that would trigger the revenue sharing provisions of ORS. Thus, the district is effectively engaging in a method of revenue sharing that is more generous to affected taxing districts than the system required by ORS.

Exhibit 2 shows the impact of the Year 2000 Plan on the Port of Portland Taxing District permanent rate levy, comparing two different scenarios: (1) with the City's existing revenue sharing policy (a \$4m cap in TIF revenue for the URA) versus (2) the statutory revenue sharing formula. Both scenarios result in essentially the same aggregate impact to the Port of Portland Taxing District through FYE 2026. However, the \$4M cap results in smaller annual impacts for a longer period of time.<sup>1</sup> Note that property tax bills have already been determined for FYE 2018, which is why there is no difference between the two scenarios for the current fiscal year.

<sup>1</sup> The total cumulative tax increment revenue collected by the City is the same in both revenue sharing scenarios. However, the total impacts to the overlapping taxing districts are slightly different. This is due to the presence of a general obligation (GO)

*Exhibit 2. Impact of Amendment with Existing Revenue Sharing Policy vs. Statutory Revenue Sharing Requirement*

<b>FYE</b>	<b>Impact to District, if Amended, with \$4m Cap</b>	<b>Impact to District, if Amended, with Statutory Revenue Sharing</b>	<b>Additional Gain or Loss to District if \$4m Cap is Removed</b>
2018	\$ (20,581)	\$ (20,581)	\$ -
2019	\$ (21,846)	\$ (28,495)	\$ (6,649)
2020	\$ (21,846)	\$ (29,460)	\$ (7,614)
2021	\$ (22,050)	\$ (29,990)	\$ (7,940)
2022	\$ (22,050)	\$ (17,208)	\$ 4,842
2023	\$ (17,519)	\$ -	\$ 17,519
<b>Total</b>	<b>\$ (125,892)</b>	<b>\$ (125,734)</b>	<b>\$ 158</b>

Source: Tiberius Solutions

**Tax revenues after termination of tax increment**

Upon termination of the URA, all revenue will be distributed to overlapping taxing districts. ORS requires the Report to the Plan Amendment identify the tax revenues for affected taxing districts in the year after the termination of the URA. These numbers are shown in Exhibit 3 below. These are estimates only; changes in the economy may impact the projections.

---

bond through FYE 2020. This results in the City's existing policy having a slightly increased impact on taxing districts than the statutory formula, because the City's policy results in a larger portion of revenue collected after the GO bond expires. This difference for the Port of Portland Taxing District is \$158.

*Exhibit 3. Tax Revenues After Termination of Tax Increment Financing*

Taxing District	Type	Tax Rate	Tax Revenue in FYE 2024 (year after termination)			Total
			From Frozen Base	From Excess Value (Used)	From Excess Value (Not Used)	
<b>General Government</b>						
Clackamas County	Permanent	2.4042	\$ 105,996	\$ 617,788	\$ 605,364	\$ 1,329,148
City of Wilsonville	Permanent	2.5206	\$ 111,128	\$ 647,699	\$ 634,673	\$ 1,393,500
County Extension & 4-H	Permanent	0.0500	\$ 2,204	\$ 12,848	\$ 12,590	\$ 27,642
County Library	Permanent	0.3974	\$ 17,520	\$ 102,117	\$ 100,063	\$ 219,700
County Soil Conservation	Permanent	0.0500	\$ 2,204	\$ 12,848	\$ 12,590	\$ 27,642
FD64 TVF&R	Permanent	1.5252	\$ 67,243	\$ 391,919	\$ 384,037	\$ 843,199
Port of Portland	Permanent	0.0701	\$ 3,091	\$ 18,013	\$ 17,651	\$ 38,755
Road District 15 Wilsonville	Permanent	0.0000	\$ -	\$ -	\$ -	\$ -
Srv 2 Metro	Permanent	0.0966	\$ 4,259	\$ 24,823	\$ 24,323	\$ 53,405
Vector Control	Permanent	0.0065	\$ 287	\$ 1,670	\$ 1,637	\$ 3,594
<i>Subtotal</i>		<i>7.1206</i>	<i>\$ 313,932</i>	<i>\$ 1,829,725</i>	<i>\$ 1,792,928</i>	<i>\$ 3,936,585</i>
<b>Education</b>						
West Linn-Wilsonville School District	Permanent	4.8684	\$ 214,637	\$ 1,250,994	\$ 1,225,836	\$ 2,691,467
Clackamas Community College	Permanent	0.5582	\$ 24,610	\$ 143,436	\$ 140,552	\$ 308,598
Clackamas ESD	Permanent	0.3687	\$ 16,255	\$ 94,742	\$ 92,837	\$ 203,834
<i>Subtotal</i>		<i>5.7953</i>	<i>\$ 255,502</i>	<i>\$ 1,489,172</i>	<i>\$ 1,459,225</i>	<i>\$ 3,203,899</i>
<b>Total</b>		<b>12.9159</b>	<b>\$ 569,434</b>	<b>\$ 3,318,897</b>	<b>\$ 3,252,153</b>	<b>\$ 7,140,484</b>

Source: Tiberius Solutions

**Summary of impacts**

The key takeaways regarding the impact of the proposed Amendment to the Port of Portland Taxing District are summarized below:

- The amendment will extend the life of the URA by three years to generate sufficient funding for the Boeckman Dip Bridge project. This project will improve the safety of Boeckman Road for all modes of transportation and will help facilitate the future development in the Frog Pond area, that will add significant new value to the tax rolls.
- The three-year extension of the URA will have a negative impact on permanent rate levy tax collections, resulting in \$76,058 in additional foregone revenue from the Port of Portland Taxing District.
- The City's existing policy to cap tax increment collections at \$4M per year results in a lower annual impact to the Port of Portland Taxing District than the statutory formula for revenue sharing.

## Process for Review

The process for final review of the Amendment and Report include the following steps:

Dec. 11-15, 2017	Send formal notice to taxing jurisdictions
Dec. 13, 2017	Planning Commission hearing
Jan. 2018	Presentation to and approval consideration by Clackamas County Commission
Dec./Jan., 2017-18	Notice to property owners
Feb. 22, 2018	Wilsonville City Council public hearing
March 5, 2018	Tentatively scheduled Wilsonville City Council vote

The draft Year 2000 Urban Renewal Plan Amendment and Report are enclosed with this letter. If you would like to provide written comments, the Wilsonville City Council will respond to them. Please provide any written comments by February 22, 2018. For more information, please contact Jordan Vance, Economic Development Manager at 503-570-1539 [vance@ci.wilsonville.or.us](mailto:vance@ci.wilsonville.or.us).

Sincerely,

Bryan Cosgrove  
City Manager  
City of Wilsonville  
29799 SW Town Center Loop E  
Wilsonville, Oregon 97070

### Attachments:

- A: Year 2000 Urban Renewal Plan Amendment
- B: Report on the Year 2000 Urban Renewal Plan Amendment
- D: Urban Renewal Area Map

**WEST LINN-WILSONVILLE SCHOOL DISTRICT, OREGON**

**Resolution No. 11**

**A RESOLUTION TO CONCUR WITH TWO PROVISIONS OF AMENDMENT TO THE  
WILSONVILLE YEAR 2000 URBAN RENEWAL AREA**

**WHEREAS**, the Year 2000 Plan and Report on the Plan were duly adopted and approved by the Wilsonville City Council on August 29, 1990, and has been subsequently amended; and,

**WHEREAS**, the Wilsonville Urban Renewal Agency (Agency) proposes the 11<sup>th</sup> Amendment to the Plan at this time to identify a new project, make changes to the Plan to address the new project, and increase the maximum indebtedness by \$14,509,101; and,

**WHEREAS**, the Agency pursuant to requirements of ORS Chapter 457 has caused preparation of an Amendment to the Year 2000 Plan (Amendment), attached hereto as **Exhibit A**; and,

**WHEREAS**, the Amendment is accompanied by a Report as required under ORS 457.085(3), attached hereto as **Exhibit B**; and,

**WHEREAS**, pursuant to ORS 457.220(4) and ORS 457.220(5), the Amendment to increase maximum indebtedness requires concurrence by the overlapping taxing districts as the increase in maximum indebtedness is greater than 20% of the original maximum indebtedness as adjusted by inflation; and

**WHEREAS**, pursuant to ORS 457.455(1), continuance of the existing revenue sharing agreement program the Wilsonville Urban Renewal Agency has been enacting will require concurrence with overlapping taxing districts; and,

**WHEREAS**, the concurrence provides specific authority to the Agency to enter into a revenue sharing agreement, attached hereto as **Exhibit C**; and

**WHEREAS**, concurrence is the approval of 75% of the permanent rate levy of the overlapping taxing districts; and

**WHEREAS**, the Wilsonville Urban Renewal Agency is seeking the approval of the West Linn-Wilsonville School District; and

**NOW THEREFORE, BE IT RESOLVED** by the City Council for the West Linn-Wilsonville School District that:

- Section 1.** By enactment of this resolution, the West Linn-Wilsonville School District concurs with the maximum indebtedness increase of \$14,509,101.
- Section 2.** By enactment of this resolution, the West Linn-Wilsonville School District concurs with the revenue sharing program and is authorized to enter into the revenue sharing agreement program as outlined in **Exhibit C**.
- Section 3.** This resolution takes effect upon its adoption.

PASSED AND APPROVED this \_\_\_ day of \_\_\_ 2017

ATTEST:

---

Attachments:

Exhibit A: October 30, 2017 Draft Year 2000 Urban Renewal Plan 11<sup>th</sup> Amendment

Exhibit B: October 20, 2017 Draft Report Accompanying the Year 2000 Plan 11<sup>th</sup> Amendment

Exhibit C: Revenue Sharing Agreement Program

DRAFT



Date: January 9, 2018

Re: Proposed Year 2000 Urban Renewal Plan Amendment

The Wilsonville City Council is considering adoption of an ordinance to amend the Year 2000 Urban Renewal Plan (Plan) to add a project and increase the maximum indebtedness.

To adopt an urban renewal plan amendment, the City is legally required to send the proposed plan amendment to representatives of overlapping taxing districts. The City Council is required to respond specifically to any written recommendations of the districts. This letter officially transmits to the West Linn-Wilsonville School District the proposed Year 2000 Urban Renewal Plan Eleventh Amendment.

The Wilsonville City Council is scheduled to have a public hearing on the proposed Year 2000 Urban Renewal Plan Amendment on February 22, 2018. They are tentatively scheduled to vote on the proposed Year 2000 Urban Renewal Plan Amendment on at their March 5 meeting. Both meetings are at the City Hall, at 7:00 p.m.

## **Background**

At their March 20, 2017 meeting, the Wilsonville City Council was briefed on the Boeckman Road project, which will cost approximately \$14 million and is located within the Year 2000 Plan Urban Renewal Area (Area) boundary. To sufficiently fund the project through urban renewal, a substantial amendment is required. The City presented the issue of a potential Year 2000 Plan amendment to the Wilsonville Urban Renewal Task Force at its April 24, 2017 meeting. The Task Force unanimously recommended that the Year 2000 plan be amended to include the Boeckman Road project. The Wilsonville Urban Renewal Agency met on December 4, 2017 and voted unanimously to send the proposed amendment out for public review.

## **Proposal**

The Year 2000 Urban Renewal Area, shown in the attached map, consists of approximately 454 acres of land, including rights-of-way.

The following are the key issues in the proposed Amendment:

- This is a substantial amendment to the Year 2000 Plan.
- A new project will be added to the Plan: the Boeckman Dip Bridge. This project will construct a bridge across Boeckman Creek that will improve the safety of Boeckman Road for all modes of transportation and will help facilitate the future development in the Frog Pond area, an area that will add significant new value to the tax rolls.
- The “maximum indebtedness” provides a limit on the amount of funds that may be spent on project, programs, and administration of an urban renewal plan. As a part of the Year 2000 Plan Amendment, the maximum indebtedness will be increased by \$14,509,101 to a total of \$107,196,524.
- The amount of the proposed increase in maximum indebtedness exceeds the authority in Oregon Revised Statutes (ORS) 457 for the Wilsonville City Council to approve on their own. Thus, the City must obtain concurrence (approval by taxing districts that represent 75% of the permanent rate levy) to increase the maximum indebtedness by this amount.
- The proposed amendment would result in the Year 2000 Plan becoming subject to "revenue sharing" provisions of Oregon Revised Statutes (ORS). However, the City of Wilsonville already "underlevies" annual tax increment revenue for the Year 2000 Plan, through a self-imposed cap of \$4 million in annual tax increment revenue. The City's current approach results in more revenue being shared with overlapping taxing districts than the required statutory formula for revenue sharing. However, as the City's approach is different from the sharing requirements of ORS, the taxing districts will need to concur to continue the existing voluntary sharing program.
- The Plan, if amended, is projected to result in the continued collection of tax increment revenue through FYE 2023.

We have enclosed a sample resolution for your review and adoption should you decide to support this amendment. The City Council will need a copy of this adopted resolution, should you agree to these changes to the Year 2000 Urban Renewal Plan.

### **Impact on Taxing Jurisdictions**

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. The City has projected estimated impacts on the taxing jurisdictions through fiscal year (FYE) 2023, after which point in time the City anticipates terminating The Year 2000 Plan and the collection of tax increment revenue. The remainder of this section describes the key takeaways for the West Linn-Wilsonville School District.

### **Impact on permanent rate levy**

The proposed amendment would result in a decrease in West Linn-Wilsonville School District's permanent rate property tax collections. This is attributable to the length of time that the URA

collects tax increment revenue to pay off the Plan's maximum indebtedness. Without the amendment, the URA expects to pay off the Plan's maximum indebtedness in FYE 2020. If the Plan is amended, the URA expects to pay off the Plan's maximum indebtedness in FYE 2023.

Exhibit 1 shows the impact to the West Linn-Wilsonville School District permanent rate collections, with and without the proposed urban renewal amendment. If the plan is amended, total revenue for the School District would be about \$5.3 million less than if the Plan was not amended.

**However, permanent rate property tax collections do not have a direct impact on the School District budget.** 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.

*Exhibit 1. Impact to West Linn-Wilsonville School District, With and Without Amendment*

FYE	Impact to School District, if <u>not</u> Amended	Impact to School District, if Amended	Impact of Amendment
2018	\$ (1,429,328)	\$ (1,429,328)	\$ -
2019	\$ (1,517,202)	\$ (1,517,202)	\$ -
2020	\$ (514,400)	\$ (1,517,202)	\$ (1,002,802)
2021	\$ -	\$ (1,531,389)	\$ (1,531,389)
2022	\$ -	\$ (1,531,389)	\$ (1,531,389)
2023	\$ -	\$ (1,216,714)	\$ (1,216,714)
<b>Total</b>	<b>\$ (3,460,930)</b>	<b>\$ (8,743,224)</b>	<b>\$ (5,282,294)</b>

Source: Tiberius Solutions

### Impacts from revenue sharing

The proposed substantial amendment will result in the Plan becoming subject to revenue sharing requirements in state statutes. The amount of revenue sharing required by ORS is dependent upon the ratio of annual tax increment revenues to the original frozen base value of the Plan. No revenue sharing is required until annual tax increment revenues exceed 10% of the original maximum indebtedness. For the Year 2000 Plan, the original maximum indebtedness was \$53,851,923. This means that mandatory revenue sharing would begin when tax increment revenues exceed \$5,385,192.

However, the City of Wilsonville already "underlevies" annual tax increment revenue for the Year 2000 Plan, through a self-imposed cap of \$4 million in annual tax increment revenue. Given the City's current policy, the URA would never achieve the level of annual tax increment revenue that would trigger the revenue sharing provisions of ORS. Thus, the district is effectively engaging in a method of revenue sharing that is more generous to affected taxing districts than the system required by ORS.

Exhibit 2 shows the impact of the Year 2000 Plan on the School District permanent rate levy, comparing two different scenarios: (1) with the City's existing revenue sharing policy (a \$4m cap in TIF revenue for the URA) versus (2) the statutory revenue sharing formula. Both scenarios result in essentially the same aggregate impact to the school district through FYE 2026. However, the \$4M cap results in smaller annual impacts for a longer period of time.<sup>1</sup> Note that property tax bills have already been determined for FYE 2018, which is why there is no difference between the two scenarios for the current fiscal year.

*Exhibit 2. Impact of Amendment with Existing Revenue Sharing Policy vs. Statutory Revenue Sharing Requirement*

FYE	Impact to School District, if Amended, with \$4m Cap	Impact to School District, if Amended, with Statutory Revenue Sharing	Additional Gain or Loss to School District if \$4m Cap is Removed
2018	\$ (1,429,328)	\$ (1,429,328)	\$ -
2019	\$ (1,517,202)	\$ (1,978,991)	\$ (461,789)
2020	\$ (1,517,202)	\$ (2,046,010)	\$ (528,808)
2021	\$ (1,531,389)	\$ (2,082,820)	\$ (551,431)
2022	\$ (1,531,389)	\$ (1,195,062)	\$ 336,327
2023	\$ (1,216,714)	\$ -	\$ 1,216,714
<b>Total</b>	<b>\$ (8,743,224)</b>	<b>\$ (8,732,211)</b>	<b>\$ 11,013</b>

Source: Tiberius Solutions

### Impacts on local option levy

The proposed amendment is likely to have a minor positive impact on the School District's local option levy tax collections. Measure 5 limits property taxes from permanent rates and local option levies to \$10 per \$1,000 real market value for general government and \$5 per \$1,000 real market value for education. For each individual property where the property tax rate exceeds these limits, the property's tax bill is reduced, or compressed, first by decreasing local option levies, and then by decreasing permanent tax rates.

Although the presence of urban renewal does not increase the overall tax rate in a jurisdiction, urban renewal is considered its own line item as a general government rate when evaluating the Measure 5 limits. Therefore, all other tax rates, in both general government and education, are slightly reduced to account for this. These reduced rates are called urban-renewal adjusted rates.

<sup>1</sup> The total cumulative tax increment revenue collected by the City is the same in both revenue sharing scenarios. However, the total impacts to the overlapping taxing districts are slightly different. This is due to the presence of a general obligation (GO) bond through FYE 2020. This results in the City's existing policy having a slightly increased impact on taxing districts than the statutory formula, because the City's policy results in a larger portion of revenue collected after the GO bond expires. This difference for the School District is \$11,013.

When an urban renewal area expires, all the adjusted rates will return to their slightly higher unadjusted rates. The education permanent tax rates and local option levies will increase. The aggregate education tax rate in this area already exceeds the \$5 per \$1,000 of assessed value, and in recent years, many properties experienced compression losses due to the Measure 5 limits. The increase in education tax rates due to the eventual termination of the URA may further increase compression losses for education. Since local option levies are compressed first in any situation where the Measure 5 limit is exceeded, they are at the greatest risk of a reduction in revenue. Therefore, in this urban renewal area, the West-Linn Wilsonville School District local option levy has the highest risk of increased compression when the urban area expires.

The City of Wilsonville and the School District have been monitoring the potential concern over compression loss annually, and will provide an update at a joint work session scheduled for February. Increases in real market values of properties in recent years has alleviated much of the compression losses the School District experienced in years past. But, if the closure of the URA appears as if it will have significant impact on School District compression losses, the City is prepared to phase out the collection of TIF revenue more slowly, resulting in a more gradual financial impact on the School District.

#### **Tax revenues after termination of tax increment**

Upon termination of the URA, all revenue will be distributed to overlapping taxing districts. ORS requires the Report to the Plan Amendment identify the tax revenues for affected taxing districts in the year after the termination of the URA. These numbers are shown in Exhibit 3 below. These are estimates only; changes in the economy may impact the projections.

**Exhibit 3. Tax Revenues After Termination of Tax Increment Financing**

Taxing District	Type	Tax Rate	Tax Revenue in FYE 2024 (year after termination)			Total
			From Frozen Base	From Excess Value (Used)	From Excess Value (Not Used)	
<b>General Government</b>						
Clackamas County	Permanent	2.4042	\$ 105,996	\$ 617,788	\$ 605,364	\$ 1,329,148
City of Wilsonville	Permanent	2.5206	\$ 111,128	\$ 647,699	\$ 634,673	\$ 1,393,500
County Extension & 4-H	Permanent	0.0500	\$ 2,204	\$ 12,848	\$ 12,590	\$ 27,642
County Library	Permanent	0.3974	\$ 17,520	\$ 102,117	\$ 100,063	\$ 219,700
County Soil Conservation	Permanent	0.0500	\$ 2,204	\$ 12,848	\$ 12,590	\$ 27,642
FD64 TVF&R	Permanent	1.5252	\$ 67,243	\$ 391,919	\$ 384,037	\$ 843,199
Port of Portland	Permanent	0.0701	\$ 3,091	\$ 18,013	\$ 17,651	\$ 38,755
Road District 15 Wilsonville	Permanent	0.0000	\$ -	\$ -	\$ -	\$ -
Srv 2 Metro	Permanent	0.0966	\$ 4,259	\$ 24,823	\$ 24,323	\$ 53,405
Vector Control	Permanent	0.0065	\$ 287	\$ 1,670	\$ 1,637	\$ 3,594
<i>Subtotal</i>		<i>7.1206</i>	<i>\$ 313,932</i>	<i>\$ 1,829,725</i>	<i>\$ 1,792,928</i>	<i>\$ 3,936,585</i>
<b>Education</b>						
West Linn-Wilsonville School District	Permanent	4.8684	\$ 214,637	\$ 1,250,994	\$ 1,225,836	\$ 2,691,467
Clackamas Community College	Permanent	0.5582	\$ 24,610	\$ 143,436	\$ 140,552	\$ 308,598
Clackamas ESD	Permanent	0.3687	\$ 16,255	\$ 94,742	\$ 92,837	\$ 203,834
<i>Subtotal</i>		<i>5.7953</i>	<i>\$ 255,502</i>	<i>\$ 1,489,172</i>	<i>\$ 1,459,225</i>	<i>\$ 3,203,899</i>
<b>Total</b>		<b>12.9159</b>	<b>\$ 569,434</b>	<b>\$ 3,318,897</b>	<b>\$ 3,252,153</b>	<b>\$ 7,140,484</b>

Source: Tiberius Solutions

**Summary of impacts**

The key takeaways regarding the impact of the proposed Amendment to the School District are summarized below:

- The amendment will extend the life of the URA by three years to generate sufficient funding for the Boeckman Dip Bridge project. This project will improve the safety of Boeckman Road for all modes of transportation and will help facilitate the future development in the Frog Pond area, that will add significant new value to the tax rolls.
- The three-year extension of the URA will have a negative impact on permanent rate levy tax collections. However, permanent rate collections do not have a direct impact on the School District budget.
- Although the City is seeking concurrence for approval of an alternative approach to revenue sharing, the City's existing policy to cap tax increment collections at \$4M per year results in a lower annual impact to the school district than the statutory formula for revenue sharing.

## Process for Review

The process for final review of the Amendment and Report include the following steps:

Dec. 11-15, 2017	Send formal notice to taxing jurisdictions
Dec. 13, 2017	Planning Commission hearing
Jan. 2018	Presentation to and approval consideration by Clackamas County Commission
Dec./Jan., 2017-18	Notice to property owners
Feb. 22, 2018	Wilsonville City Council public hearing
March 5, 2018	Tentatively scheduled Wilsonville City Council vote

The draft Year 2000 Urban Renewal Plan Amendment and Report are enclosed with this letter. If you would like to provide written comments, the Wilsonville City Council will respond to them. Please provide any written comments by February 22, 2018. For more information, please contact Jordan Vance, Economic Development Manager at 503-570-1539 [vance@ci.wilsonville.or.us](mailto:vance@ci.wilsonville.or.us).

Sincerely,

Bryan Cosgrove  
City Manager  
City of Wilsonville  
29799 SW Town Center Loop E  
Wilsonville, Oregon 97070

### Attachments:

- A: Year 2000 Urban Renewal Plan Amendment
- B: Report on the Year 2000 Urban Renewal Plan Amendment
- C: Draft Resolution
- D: Urban Renewal Area Map



Date: January 9, 2018

Re: Proposed Year 2000 Urban Renewal Plan Amendment

The Wilsonville City Council is considering adoption of an ordinance to amend the Year 2000 Urban Renewal Plan (Plan) to add a project and increase the maximum indebtedness.

To adopt an urban renewal plan amendment, the City is legally required to send the proposed plan amendment to representatives of overlapping taxing districts. The City Council is required to respond specifically to any written recommendations of the districts. This letter officially transmits to the Service 2 Metro Taxing District the proposed Year 2000 Urban Renewal Plan Eleventh Amendment.

The Wilsonville City Council is scheduled to have a public hearing on the proposed Year 2000 Urban Renewal Plan Amendment on February 22, 2018. They are tentatively scheduled to vote on the proposed Year 2000 Urban Renewal Plan Amendment on at their March 5 meeting. Both meetings are at the City Hall, at 7:00 p.m.

## **Background**

At their March 20, 2017 meeting, the Wilsonville City Council was briefed on the Boeckman Road project, which will cost approximately \$14 million and is located within the Year 2000 Plan Urban Renewal Area (Area) boundary. To sufficiently fund the project through urban renewal, a substantial amendment is required. The City presented the issue of a potential Year 2000 Plan amendment to the Wilsonville Urban Renewal Task Force at its April 24, 2017 meeting. The Task Force unanimously recommended that the Year 2000 plan be amended to include the Boeckman Road project. The Wilsonville Urban Renewal Agency met on December 4, 2017 and voted unanimously to send the proposed amendment out for public review.

## **Proposal**

The Year 2000 Urban Renewal Area, shown in the attached map, consists of approximately 454 acres of land, including rights-of-way.

The following are the key issues in the proposed Amendment:

- This is a substantial amendment to the Year 2000 Plan.
- A new project will be added to the Plan: the Boeckman Dip Bridge. This project will construct a bridge across Boeckman Creek that will improve the safety of Boeckman Road for all modes of transportation and will help facilitate the future development in the Frog Pond area, an area that will add significant new value to the tax rolls.
- The “maximum indebtedness” provides a limit on the amount of funds that may be spent on project, programs, and administration of an urban renewal plan. As a part of the Year 2000 Plan Amendment, the maximum indebtedness will be increased by \$14,509,101 to a total of \$107,196,524.
- The amount of the proposed increase in maximum indebtedness exceeds the authority in Oregon Revised Statutes (ORS) 457 for the Wilsonville City Council to approve on their own.
- The proposed amendment would result in the Year 2000 Plan becoming subject to "revenue sharing" provisions of Oregon Revised Statutes (ORS). However, the City of Wilsonville already "underlevies" annual tax increment revenue for the Year 2000 Plan, through a self-imposed cap of \$4 million in annual tax increment revenue. The City's current approach results in more revenue being shared with overlapping taxing districts than the required statutory formula for revenue sharing. However, as the City's approach is different from the sharing requirements of ORS.
- The Plan, if amended, is projected to result in the continued collection of tax increment revenue through FYE 2023.

## **Impact on Taxing Jurisdictions**

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. The City has projected estimated impacts on the taxing jurisdictions through fiscal year (FYE) 2023, after which point in time the City anticipates terminating the Year 2000 Plan and the collection of tax increment revenue. The remainder of this section describes the key takeaways for the Service 2 Metro Taxing District.

### **Impact on permanent rate levy**

The proposed amendment would result in a decrease in Service 2 Metro Taxing District's permanent rate property tax collections. This is attributable to the length of time that the URA collects tax increment revenue to pay off the Plan's maximum indebtedness. Without the amendment, the URA expects to pay off the Plan's maximum indebtedness in FYE 2020. If the Plan is amended, the URA expects to pay off the Plan's maximum indebtedness in FYE 2023.

Exhibit 1 shows the impact to the Service 2 Metro Taxing District permanent rate collections, with and without the proposed urban renewal amendment. If the plan is amended, total

revenue for the Service 2 Metro Taxing District would be \$104,812 less than if the Plan was not amended.

*Exhibit 1. Impact to Service 2 Metro Taxing District, With and Without Amendment*

FYE	Impact to District, if <u>not</u> Amended	Impact to District, if Amended	Impact of Amendment
2018	\$ (28,361)	\$ (28,361)	\$ -
2019	\$ (30,105)	\$ (30,105)	\$ -
2020	\$ (10,207)	\$ (30,105)	\$ (19,898)
2021	\$ -	\$ (30,386)	\$ (30,386)
2022	\$ -	\$ (30,386)	\$ (30,386)
2023	\$ -	\$ (24,142)	\$ (24,142)
<b>Total</b>	<b>\$ (68,673)</b>	<b>\$ (173,485)</b>	<b>\$ (104,812)</b>

Source: Tiberius Solutions

### Impacts from revenue sharing

The proposed substantial amendment will result in the Plan becoming subject to revenue sharing requirements in state statutes. The amount of revenue sharing required by ORS is dependent upon the ratio of annual tax increment revenues to the original frozen base value of the Plan. No revenue sharing is required until annual tax increment revenues exceed 10% of the original maximum indebtedness. For the Year 2000 Plan, the original maximum indebtedness was \$53,851,923. This means that mandatory revenue sharing would begin when tax increment revenues exceed \$5,385,192.

However, the City of Wilsonville already "underlevies" annual tax increment revenue for the Year 2000 Plan, through a self-imposed cap of \$4 million in annual tax increment revenue. Given the City's current policy, the URA would never achieve the level of annual tax increment revenue that would trigger the revenue sharing provisions of ORS. Thus, the district is effectively engaging in a method of revenue sharing that is more generous to affected taxing districts than the system required by ORS.

Exhibit 2 shows the impact of the Year 2000 Plan on the Service 2 Metro Taxing District permanent rate levy, comparing two different scenarios: (1) with the City's existing revenue sharing policy (a \$4m cap in TIF revenue for the URA) versus (2) the statutory revenue sharing formula. Both scenarios result in essentially the same aggregate impact to the Service 2 Metro Taxing District through FYE 2026. However, the \$4M cap results in smaller annual impacts for a longer period of time.<sup>1</sup> Note that property tax bills have already been determined for FYE 2018, which is why there is no difference between the two scenarios for the current fiscal year.

<sup>1</sup> The total cumulative tax increment revenue collected by the City is the same in both revenue sharing scenarios. However, the total impacts to the overlapping taxing districts are slightly different. This is due to the presence of a general obligation (GO) bond through FYE 2020. This results in the City's existing policy having a slightly increased impact on taxing districts than the

*Exhibit 2. Impact of Amendment with Existing Revenue Sharing Policy vs. Statutory Revenue Sharing Requirement*

FYE	Impact to District, if Amended, with \$4m Cap	Impact to District, if Amended, with Statutory Revenue Sharing	Additional Gain or Loss to District if \$4m Cap is Removed
2018	\$ (28,361)	\$ (28,361)	\$ -
2019	\$ (30,105)	\$ (39,268)	\$ (9,163)
2020	\$ (30,105)	\$ (40,597)	\$ (10,492)
2021	\$ (30,386)	\$ (41,328)	\$ (10,942)
2022	\$ (30,386)	\$ (23,713)	\$ 6,673
2023	\$ (24,142)	\$ -	\$ 24,142
<b>Total</b>	<b>\$ (173,485)</b>	<b>\$ (173,267)</b>	<b>\$ 218</b>

Source: Tiberius Solutions

**Tax revenues after termination of tax increment**

Upon termination of the URA, all revenue will be distributed to overlapping taxing districts. ORS requires the Report to the Plan Amendment identify the tax revenues for affected taxing districts in the year after the termination of the URA. These numbers are shown in Exhibit 3 below. These are estimates only; changes in the economy may impact the projections.

---

statutory formula, because the City's policy results in a larger portion of revenue collected after the GO bond expires. This difference for the Service 2 Metro Taxing District is \$218.

*Exhibit 3. Tax Revenues After Termination of Tax Increment Financing*

Taxing District	Type	Tax Rate	Tax Revenue in FYE 2024 (year after termination)			Total
			From Frozen Base	From Excess Value (Used)	From Excess Value (Not Used)	
<b>General Government</b>						
Clackamas County	Permanent	2.4042	\$ 105,996	\$ 617,788	\$ 605,364	\$ 1,329,148
City of Wilsonville	Permanent	2.5206	\$ 111,128	\$ 647,699	\$ 634,673	\$ 1,393,500
County Extension & 4-H	Permanent	0.0500	\$ 2,204	\$ 12,848	\$ 12,590	\$ 27,642
County Library	Permanent	0.3974	\$ 17,520	\$ 102,117	\$ 100,063	\$ 219,700
County Soil Conservation	Permanent	0.0500	\$ 2,204	\$ 12,848	\$ 12,590	\$ 27,642
FD64 TVF&R	Permanent	1.5252	\$ 67,243	\$ 391,919	\$ 384,037	\$ 843,199
Port of Portland	Permanent	0.0701	\$ 3,091	\$ 18,013	\$ 17,651	\$ 38,755
Road District 15 Wilsonville	Permanent	0.0000	\$ -	\$ -	\$ -	\$ -
Srv 2 Metro	Permanent	0.0966	\$ 4,259	\$ 24,823	\$ 24,323	\$ 53,405
Vector Control	Permanent	0.0065	\$ 287	\$ 1,670	\$ 1,637	\$ 3,594
<i>Subtotal</i>		<i>7.1206</i>	<i>\$ 313,932</i>	<i>\$ 1,829,725</i>	<i>\$ 1,792,928</i>	<i>\$ 3,936,585</i>
<b>Education</b>						
West Linn-Wilsonville School District	Permanent	4.8684	\$ 214,637	\$ 1,250,994	\$ 1,225,836	\$ 2,691,467
Clackamas Community College	Permanent	0.5582	\$ 24,610	\$ 143,436	\$ 140,552	\$ 308,598
Clackamas ESD	Permanent	0.3687	\$ 16,255	\$ 94,742	\$ 92,837	\$ 203,834
<i>Subtotal</i>		<i>5.7953</i>	<i>\$ 255,502</i>	<i>\$ 1,489,172</i>	<i>\$ 1,459,225</i>	<i>\$ 3,203,899</i>
<b>Total</b>		<b>12.9159</b>	<b>\$ 569,434</b>	<b>\$ 3,318,897</b>	<b>\$ 3,252,153</b>	<b>\$ 7,140,484</b>

Source: Tiberius Solutions

**Summary of impacts**

The key takeaways regarding the impact of the proposed Amendment to the Service 2 Metro Taxing District are summarized below:

- The amendment will extend the life of the URA by three years to generate sufficient funding for the Boeckman Dip Bridge project. This project will improve the safety of Boeckman Road for all modes of transportation and will help facilitate the future development in the Frog Pond area, that will add significant new value to the tax rolls.
- The three-year extension of the URA will have a negative impact on permanent rate levy tax collections, resulting in \$104,812 in additional foregone revenue from the Service 2 Metro Taxing District.
- The City's existing policy to cap tax increment collections at \$4M per year results in a lower annual impact to the Service 2 Metro Taxing District than the statutory formula for revenue sharing.

**Process for Review**

The process for final review of the Amendment and Report include the following steps:

Dec. 11-15, 2017	Send formal notice to taxing jurisdictions
Dec. 13, 2017	Planning Commission hearing
Jan. 2018	Presentation to and approval consideration by Clackamas County Commission
Dec./Jan., 2017-18	Notice to property owners
Feb. 22, 2018	Wilsonville City Council public hearing
March 5, 2018	Tentatively scheduled Wilsonville City Council vote

The draft Year 2000 Urban Renewal Plan Amendment and Report are enclosed with this letter. If you would like to provide written comments, the Wilsonville City Council will respond to them. Please provide any written comments by February 22, 2018. For more information, please contact Jordan Vance, Economic Development Manager at 503-570-1539 [vance@ci.wilsonville.or.us](mailto:vance@ci.wilsonville.or.us).

Sincerely,

Bryan Cosgrove  
City Manager  
City of Wilsonville  
29799 SW Town Center Loop E  
Wilsonville, Oregon 97070

**Attachments:**

- A: Year 2000 Urban Renewal Plan Amendment
- B: Report on the Year 2000 Urban Renewal Plan Amendment
- D: Urban Renewal Area Map



Date: January 9, 2018

Re: Proposed Year 2000 Urban Renewal Plan Amendment

The Wilsonville City Council is considering adoption of an ordinance to amend the Year 2000 Urban Renewal Plan (Plan) to add a project and increase the maximum indebtedness.

To adopt an urban renewal plan amendment, the City is legally required to send the proposed plan amendment to representatives of overlapping taxing districts. The City Council is required to respond specifically to any written recommendations of the districts. This letter officially transmits to the Soil Conservation Taxing District the proposed Year 2000 Urban Renewal Plan Eleventh Amendment.

The Wilsonville City Council is scheduled to have a public hearing on the proposed Year 2000 Urban Renewal Plan Amendment on February 22, 2018. They are tentatively scheduled to vote on the proposed Year 2000 Urban Renewal Plan Amendment on at their March 5 meeting. Both meetings are at the City Hall, at 7:00 p.m.

## **Background**

At their March 20, 2017 meeting, the Wilsonville City Council was briefed on the Boeckman Road project, which will cost approximately \$14 million and is located within the Year 2000 Plan Urban Renewal Area (Area) boundary. To sufficiently fund the project through urban renewal, a substantial amendment is required. The City presented the issue of a potential Year 2000 Plan amendment to the Wilsonville Urban Renewal Task Force at its April 24, 2017 meeting. The Task Force unanimously recommended that the Year 2000 plan be amended to include the Boeckman Road project. The Wilsonville Urban Renewal Agency met on December 4, 2017 and voted unanimously to send the proposed amendment out for public review.

## **Proposal**

The Year 2000 Urban Renewal Area, shown in the attached map, consists of approximately 454 acres of land, including rights-of-way.

The following are the key issues in the proposed Amendment:

- This is a substantial amendment to the Year 2000 Plan.
- A new project will be added to the Plan: the Boeckman Dip Bridge. This project will construct a bridge across Boeckman Creek that will improve the safety of Boeckman Road for all modes of transportation and will help facilitate the future development in the Frog Pond area, an area that will add significant new value to the tax rolls.
- The “maximum indebtedness” provides a limit on the amount of funds that may be spent on project, programs, and administration of an urban renewal plan. As a part of the Year 2000 Plan Amendment, the maximum indebtedness will be increased by \$14,509,101 to a total of \$107,196,524.
- The amount of the proposed increase in maximum indebtedness exceeds the authority in Oregon Revised Statutes (ORS) 457 for the Wilsonville City Council to approve on their own.
- The proposed amendment would result in the Year 2000 Plan becoming subject to "revenue sharing" provisions of Oregon Revised Statutes (ORS). However, the City of Wilsonville already "underlevies" annual tax increment revenue for the Year 2000 Plan, through a self-imposed cap of \$4 million in annual tax increment revenue. The City's current approach results in more revenue being shared with overlapping taxing districts than the required statutory formula for revenue sharing. However, as the City's approach is different from the sharing requirements of ORS.
- The Plan, if amended, is projected to result in the continued collection of tax increment revenue through FYE 2023.

## **Impact on Taxing Jurisdictions**

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. The City has projected estimated impacts on the taxing jurisdictions through fiscal year (FYE) 2023, after which point in time the City anticipates terminating the Year 2000 Plan and the collection of tax increment revenue. The remainder of this section describes the key takeaways for the Soil Conservation Taxing District.

### **Impact on permanent rate levy**

The proposed amendment would result in a decrease in Soil Conservation Taxing District's permanent rate property tax collections. This is attributable to the length of time that the URA collects tax increment revenue to pay off the Plan's maximum indebtedness. Without the amendment, the URA expects to pay off the Plan's maximum indebtedness in FYE 2020. If the Plan is amended, the URA expects to pay off the Plan's maximum indebtedness in FYE 2023.

Exhibit 1 shows the impact to the Soil Conservation Taxing District permanent rate collections, with and without the proposed urban renewal amendment. If the plan is amended, total

revenue for the Soil Conservation Taxing District would be \$54,251 less than if the Plan was not amended.

*Exhibit 1. Impact to Soil Conservation Taxing District, With and Without Amendment*

FYE	Impact to District, if <u>not</u> Amended	Impact to District, if Amended	Impact of Amendment
2018	\$ (14,680)	\$ (14,680)	\$ -
2019	\$ (15,582)	\$ (15,582)	\$ -
2020	\$ (5,283)	\$ (15,582)	\$ (10,299)
2021	\$ -	\$ (15,728)	\$ (15,728)
2022	\$ -	\$ (15,728)	\$ (15,728)
2023	\$ -	\$ (12,496)	\$ (12,496)
<b>Total</b>	<b>\$ (35,545)</b>	<b>\$ (89,796)</b>	<b>\$ (54,251)</b>

Source: Tiberius Solutions

### Impacts from revenue sharing

The proposed substantial amendment will result in the Plan becoming subject to revenue sharing requirements in state statutes. The amount of revenue sharing required by ORS is dependent upon the ratio of annual tax increment revenues to the original frozen base value of the Plan. No revenue sharing is required until annual tax increment revenues exceed 10% of the original maximum indebtedness. For the Year 2000 Plan, the original maximum indebtedness was \$53,851,923. This means that mandatory revenue sharing would begin when tax increment revenues exceed \$5,385,192.

However, the City of Wilsonville already "underlevies" annual tax increment revenue for the Year 2000 Plan, through a self-imposed cap of \$4 million in annual tax increment revenue. Given the City's current policy, the URA would never achieve the level of annual tax increment revenue that would trigger the revenue sharing provisions of ORS. Thus, the district is effectively engaging in a method of revenue sharing that is more generous to affected taxing districts than the system required by ORS.

Exhibit 2 shows the impact of the Year 2000 Plan on the Soil Conservation Taxing District permanent rate levy, comparing two different scenarios: (1) with the City's existing revenue sharing policy (a \$4m cap in TIF revenue for the URA) versus (2) the statutory revenue sharing formula. Both scenarios result in essentially the same aggregate impact to the Soil Conservation Taxing District through FYE 2026. However, the \$4M cap results in smaller annual impacts for a longer period of time.<sup>1</sup> Note that property tax bills have already been determined for FYE 2018, which is why there is no difference between the two scenarios for the current fiscal year.

<sup>1</sup> The total cumulative tax increment revenue collected by the City is the same in both revenue sharing scenarios. However, the total impacts to the overlapping taxing districts are slightly different. This is due to the presence of a general obligation (GO)

*Exhibit 2. Impact of Amendment with Existing Revenue Sharing Policy vs. Statutory Revenue Sharing Requirement*

FYE	Impact to District, if Amended, with \$4m Cap	Impact to District, if Amended, with Statutory Revenue Sharing	Additional Gain or Loss to District if \$4m Cap is Removed
2018	\$ (14,680)	\$ (14,680)	\$ -
2019	\$ (15,582)	\$ (20,325)	\$ (4,743)
2020	\$ (15,582)	\$ (21,013)	\$ (5,431)
2021	\$ (15,728)	\$ (21,391)	\$ (5,663)
2022	\$ (15,728)	\$ (12,274)	\$ 3,454
2023	\$ (12,496)	\$ -	\$ 12,496
<b>Total</b>	<b>\$ (89,796)</b>	<b>\$ (89,683)</b>	<b>\$ 113</b>

Source: Tiberius Solutions

**Tax revenues after termination of tax increment**

Upon termination of the URA, all revenue will be distributed to overlapping taxing districts. ORS requires the Report to the Plan Amendment identify the tax revenues for affected taxing districts in the year after the termination of the URA. These numbers are shown in Exhibit 3 below. These are estimates only; changes in the economy may impact the projections.

---

bond through FYE 2020. This results in the City's existing policy having a slightly increased impact on taxing districts than the statutory formula, because the City's policy results in a larger portion of revenue collected after the GO bond expires. This difference for the Soil Conservation Taxing District is \$113.

*Exhibit 3. Tax Revenues After Termination of Tax Increment Financing*

Taxing District	Type	Tax Rate	Tax Revenue in FYE 2024 (year after termination)			Total
			From Frozen Base	From Excess Value (Used)	From Excess Value (Not Used)	
<b>General Government</b>						
Clackamas County	Permanent	2.4042	\$ 105,996	\$ 617,788	\$ 605,364	\$ 1,329,148
City of Wilsonville	Permanent	2.5206	\$ 111,128	\$ 647,699	\$ 634,673	\$ 1,393,500
County Extension & 4-H	Permanent	0.0500	\$ 2,204	\$ 12,848	\$ 12,590	\$ 27,642
County Library	Permanent	0.3974	\$ 17,520	\$ 102,117	\$ 100,063	\$ 219,700
County Soil Conservation	Permanent	0.0500	\$ 2,204	\$ 12,848	\$ 12,590	\$ 27,642
FD64 TVF&R	Permanent	1.5252	\$ 67,243	\$ 391,919	\$ 384,037	\$ 843,199
Port of Portland	Permanent	0.0701	\$ 3,091	\$ 18,013	\$ 17,651	\$ 38,755
Road District 15 Wilsonville	Permanent	0.0000	\$ -	\$ -	\$ -	\$ -
Srv 2 Metro	Permanent	0.0966	\$ 4,259	\$ 24,823	\$ 24,323	\$ 53,405
Vector Control	Permanent	0.0065	\$ 287	\$ 1,670	\$ 1,637	\$ 3,594
<i>Subtotal</i>		<i>7.1206</i>	<i>\$ 313,932</i>	<i>\$ 1,829,725</i>	<i>\$ 1,792,928</i>	<i>\$ 3,936,585</i>
<b>Education</b>						
West Linn-Wilsonville School District	Permanent	4.8684	\$ 214,637	\$ 1,250,994	\$ 1,225,836	\$ 2,691,467
Clackamas Community College	Permanent	0.5582	\$ 24,610	\$ 143,436	\$ 140,552	\$ 308,598
Clackamas ESD	Permanent	0.3687	\$ 16,255	\$ 94,742	\$ 92,837	\$ 203,834
<i>Subtotal</i>		<i>5.7953</i>	<i>\$ 255,502</i>	<i>\$ 1,489,172</i>	<i>\$ 1,459,225</i>	<i>\$ 3,203,899</i>
<b>Total</b>		<b>12.9159</b>	<b>\$ 569,434</b>	<b>\$ 3,318,897</b>	<b>\$ 3,252,153</b>	<b>\$ 7,140,484</b>

Source: Tiberius Solutions

**Summary of impacts**

The key takeaways regarding the impact of the proposed Amendment to the Soil Conservation Taxing District are summarized below:

- The amendment will extend the life of the URA by three years to generate sufficient funding for the Boeckman Dip Bridge project. This project will improve the safety of Boeckman Road for all modes of transportation and will help facilitate the future development in the Frog Pond area, that will add significant new value to the tax rolls.
- The three-year extension of the URA will have a negative impact on permanent rate levy tax collections, resulting in \$54,251 in additional foregone revenue from the Soil Conservation Taxing District.
- The City's existing policy to cap tax increment collections at \$4M per year results in a lower annual impact to the Soil Conservation Taxing District than the statutory formula for revenue sharing.

## Process for Review

The process for final review of the Amendment and Report include the following steps:

Dec. 11-15, 2017	Send formal notice to taxing jurisdictions
Dec. 13, 2017	Planning Commission hearing
Jan. 2018	Presentation to and approval consideration by Clackamas County Commission
Dec./Jan., 2017-18	Notice to property owners
Feb. 22, 2018	Wilsonville City Council public hearing
March 5, 2018	Tentatively scheduled Wilsonville City Council vote

The draft Year 2000 Urban Renewal Plan Amendment and Report are enclosed with this letter. If you would like to provide written comments, the Wilsonville City Council will respond to them. Please provide any written comments by February 22, 2018. For more information, please contact Jordan Vance, Economic Development Manager at 503-570-1539 [vance@ci.wilsonville.or.us](mailto:vance@ci.wilsonville.or.us).

Sincerely,

Bryan Cosgrove  
City Manager  
City of Wilsonville  
29799 SW Town Center Loop E  
Wilsonville, Oregon 97070

### Attachments:

- A: Year 2000 Urban Renewal Plan Amendment
- B: Report on the Year 2000 Urban Renewal Plan Amendment
- D: Urban Renewal Area Map

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

Laurel Butman, Deputy County Admin.  
Clackamas County  
2051 Kaen Road  
Oregon City, Oregon 97045

Director  
Clackamas Co. Extension Services – 4-H  
200 Warner Milne Rd.  
Oregon City, Oregon 97045

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

Tom Salzer, General Manager  
Clackamas Soil & Water Conservation  
221 Molalla Avenue, Suite 102  
Oregon City, Oregon 97045

Tim Witcher, CFO  
ESD Clackamas County  
13455 SE 97th Avenue  
Clackamas, Oregon 97015

Joanne Truesdell, President  
Clackamas Community College  
19600 Molalla Ave  
Oregon City, Oregon 97045

Bob Cochran, Dean of Campus Services  
Clackamas Community College  
19600 Molalla Ave  
Oregon City, Oregon 97045

Vince Granato, Chief Operating Officer  
Port of Portland  
P.O. BOX 3529  
Portland, Oregon 97208-3529

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

Tim Collier, Director Finance & Reg. Svcs  
Metro  
600 NE Grand Avenue  
Portland, Oregon 97232-2736

Bryan Cosgrove, City Manager  
City of Wilsonville

Susan Cole, Finance Director  
City of Wilsonville

Fire Chief Michael Duyck  
TVF&R  
11945 SW 70th Ave.  
Tigard, Oregon 97223-8566

George Peck  
Clackamas County Vector Control District  
1102 Abernethy Road  
Oregon City, Oregon 97045

Superintendent Dr. Kathy Ludwig  
West Linn - Wilsonville School District 3JT  
22210 SW Stafford Road  
Tualatin, Oregon 97062

Doug Middlestetter, Business Manager  
West Linn - Wilsonville School District 3JT  
22210 SW Stafford Road  
Tualatin, Oregon 97062



Date: January 9, 2018

Re: Proposed Year 2000 Urban Renewal Plan Amendment

The Wilsonville City Council is considering adoption of an ordinance to amend the Year 2000 Urban Renewal Plan (Plan) to add a project and increase the maximum indebtedness.

To adopt an urban renewal plan amendment, the City is legally required to send the proposed plan amendment to representatives of overlapping taxing districts. The City Council is required to respond specifically to any written recommendations of the districts. This letter officially transmits to the Tualatin Valley Fire and Rescue District the proposed Year 2000 Urban Renewal Plan Eleventh Amendment.

The Wilsonville City Council is scheduled to have a public hearing on the proposed Year 2000 Urban Renewal Plan Amendment on February 22, 2018. They are tentatively scheduled to vote on the proposed Year 2000 Urban Renewal Plan Amendment on at their March 5 meeting. Both meetings are at the City Hall, at 7:00 p.m.

## **Background**

At their March 20, 2017 meeting, the Wilsonville City Council was briefed on the Boeckman Road project, which will cost approximately \$14 million and is located within the Year 2000 Plan Urban Renewal Area (Area) boundary. To sufficiently fund the project through urban renewal, a substantial amendment is required. The City presented the issue of a potential Year 2000 Plan amendment to the Wilsonville Urban Renewal Task Force at its April 24, 2017 meeting. The Task Force unanimously recommended that the Year 2000 plan be amended to include the Boeckman Road project. The Wilsonville Urban Renewal Agency met on December 4, 2017 and voted unanimously to send the proposed amendment out for public review.

## **Proposal**

The Year 2000 Urban Renewal Area, shown in the attached map, consists of approximately 454 acres of land, including rights-of-way.

The following are the key issues in the proposed Amendment:

- This is a substantial amendment to the Year 2000 Plan.
- A new project will be added to the Plan: the Boeckman Dip Bridge. This project will construct a bridge across Boeckman Creek that will improve the safety of Boeckman Road for all modes of transportation and will help facilitate the future development in the Frog Pond area, an area that will add significant new value to the tax rolls.
- The “maximum indebtedness” provides a limit on the amount of funds that may be spent on project, programs, and administration of an urban renewal plan. As a part of the Year 2000 Plan Amendment, the maximum indebtedness will be increased by \$14,509,101 to a total of \$107,196,524.
- The amount of the proposed increase in maximum indebtedness exceeds the authority in Oregon Revised Statutes (ORS) 457 for the Wilsonville City Council to approve on their own.
- The proposed amendment would result in the Year 2000 Plan becoming subject to "revenue sharing" provisions of Oregon Revised Statutes (ORS). However, the City of Wilsonville already "underlevies" annual tax increment revenue for the Year 2000 Plan, through a self-imposed cap of \$4 million in annual tax increment revenue. The City's current approach results in more revenue being shared with overlapping taxing districts than the required statutory formula for revenue sharing. However, as the City's approach is different from the sharing requirements of ORS.
- The Plan, if amended, is projected to result in the continued collection of tax increment revenue through FYE 2023.

## **Impact on Taxing Jurisdictions**

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. The City has projected estimated impacts on the taxing jurisdictions through fiscal year (FYE) 2023, after which point in time the City anticipates terminating the Year 2000 Plan and the collection of tax increment revenue. The remainder of this section describes the key takeaways for the Tualatin Valley Fire and Rescue District.

### **Impact on permanent rate levy**

The proposed amendment would result in a decrease in Tualatin Valley Fire and Rescue District's permanent rate property tax collections. This is attributable to the length of time that the URA collects tax increment revenue to pay off the Plan's maximum indebtedness. Without the amendment, the URA expects to pay off the Plan's maximum indebtedness in FYE 2020. If the Plan is amended, the URA expects to pay off the Plan's maximum indebtedness in FYE 2023.

Exhibit 1 shows the impact to the Tualatin Valley Fire and Rescue District permanent rate collections, with and without the proposed urban renewal amendment. If the plan is amended,

total revenue for the Tualatin Valley Fire and Rescue District would be about \$1.7 million less than if the Plan was not amended.

*Exhibit 1. Impact to Tualatin Valley Fire and Rescue District, With and Without Amendment*

FYE	Impact to District, if <u>not</u> Amended	Impact to District, if Amended	Impact of Amendment
2018	\$ (447,788)	\$ (447,788)	\$ -
2019	\$ (475,318)	\$ (475,318)	\$ -
2020	\$ (161,154)	\$ (475,318)	\$ (314,164)
2021	\$ -	\$ (479,762)	\$ (479,762)
2022	\$ -	\$ (479,762)	\$ (479,762)
2023	\$ -	\$ (381,179)	\$ (381,179)
<b>Total</b>	<b>\$ (1,084,260)</b>	<b>\$ (2,739,127)</b>	<b>\$ (1,654,867)</b>

Source: Tiberius Solutions

**Impacts from revenue sharing**

The proposed substantial amendment will result in the Plan becoming subject to revenue sharing requirements in state statutes. The amount of revenue sharing required by ORS is dependent upon the ratio of annual tax increment revenues to the original frozen base value of the Plan. No revenue sharing is required until annual tax increment revenues exceed 10% of the original maximum indebtedness. For the Year 2000 Plan, the original maximum indebtedness was \$53,851,923. This means that mandatory revenue sharing would begin when tax increment revenues exceed \$5,385,192.

However, the City of Wilsonville already "underlevies" annual tax increment revenue for the Year 2000 Plan, through a self-imposed cap of \$4 million in annual tax increment revenue. Given the City's current policy, the URA would never achieve the level of annual tax increment revenue that would trigger the revenue sharing provisions of ORS. Thus, the district is effectively engaging in a method of revenue sharing that is more generous to affected taxing districts than the system required by ORS.

Exhibit 2 shows the impact of the Year 2000 Plan on the Tualatin Valley Fire and Rescue District permanent rate levy, comparing two different scenarios: (1) with the City's existing revenue sharing policy (a \$4m cap in TIF revenue for the URA) versus (2) the statutory revenue sharing formula. Both scenarios result in essentially the same aggregate impact to the Tualatin Valley Fire and Rescue District through FYE 2026. However, the \$4M cap results in smaller annual impacts for a longer period of time.<sup>1</sup> Note that property tax bills have already been determined

<sup>1</sup> The total cumulative tax increment revenue collected by the City is the same in both revenue sharing scenarios. However, the total impacts to the overlapping taxing districts are slightly different. This is due to the presence of a general obligation (GO) bond through FYE 2020. This results in the City's existing policy having a slightly increased impact on taxing districts than the statutory formula, because the City's policy results in a larger portion of revenue collected after the GO bond expires. This difference for the Tualatin Valley Fire and Rescue District is \$3,449.

for FYE 2018, which is why there is no difference between the two scenarios for the current fiscal year.

*Exhibit 2. Impact of Amendment with Existing Revenue Sharing Policy vs. Statutory Revenue Sharing Requirement*

FYE	Impact to District, if Amended, with \$4m Cap	Impact to District, if Amended, with Statutory Revenue Sharing	Additional Gain or Loss to District if \$4m Cap is Removed
2018	\$ (447,788)	\$ (447,788)	\$ -
2019	\$ (475,318)	\$ (619,990)	\$ (144,672)
2020	\$ (475,318)	\$ (640,986)	\$ (165,668)
2021	\$ (479,762)	\$ (652,518)	\$ (172,756)
2022	\$ (479,762)	\$ (374,396)	\$ 105,366
2023	\$ (381,179)	\$ -	\$ 381,179
<b>Total</b>	<b>\$ (2,739,127)</b>	<b>\$ (2,735,678)</b>	<b>\$ 3,449</b>

Source: Tiberius Solutions

**Tax revenues after termination of tax increment**

Upon termination of the URA, all revenue will be distributed to overlapping taxing districts. ORS requires the Report to the Plan Amendment identify the tax revenues for affected taxing districts in the year after the termination of the URA. These numbers are shown in Exhibit 3 below. These are estimates only; changes in the economy may impact the projections.

*Exhibit 3. Tax Revenues After Termination of Tax Increment Financing*

Taxing District	Type	Tax Rate	Tax Revenue in FYE 2024 (year after termination)			Total
			From Frozen Base	From Excess Value (Used)	From Excess Value (Not Used)	
<b>General Government</b>						
Clackamas County	Permanent	2.4042	\$ 105,996	\$ 617,788	\$ 605,364	\$ 1,329,148
City of Wilsonville	Permanent	2.5206	\$ 111,128	\$ 647,699	\$ 634,673	\$ 1,393,500
County Extension & 4-H	Permanent	0.0500	\$ 2,204	\$ 12,848	\$ 12,590	\$ 27,642
County Library	Permanent	0.3974	\$ 17,520	\$ 102,117	\$ 100,063	\$ 219,700
County Soil Conservation	Permanent	0.0500	\$ 2,204	\$ 12,848	\$ 12,590	\$ 27,642
FD64 TVF&R	Permanent	1.5252	\$ 67,243	\$ 391,919	\$ 384,037	\$ 843,199
Port of Portland	Permanent	0.0701	\$ 3,091	\$ 18,013	\$ 17,651	\$ 38,755
Road District 15 Wilsonville	Permanent	0.0000	\$ -	\$ -	\$ -	\$ -
Srv 2 Metro	Permanent	0.0966	\$ 4,259	\$ 24,823	\$ 24,323	\$ 53,405
Vector Control	Permanent	0.0065	\$ 287	\$ 1,670	\$ 1,637	\$ 3,594
<i>Subtotal</i>		<i>7.1206</i>	<i>\$ 313,932</i>	<i>\$ 1,829,725</i>	<i>\$ 1,792,928</i>	<i>\$ 3,936,585</i>
<b>Education</b>						
West Linn-Wilsonville School District	Permanent	4.8684	\$ 214,637	\$ 1,250,994	\$ 1,225,836	\$ 2,691,467
Clackamas Community College	Permanent	0.5582	\$ 24,610	\$ 143,436	\$ 140,552	\$ 308,598
Clackamas ESD	Permanent	0.3687	\$ 16,255	\$ 94,742	\$ 92,837	\$ 203,834
<i>Subtotal</i>		<i>5.7953</i>	<i>\$ 255,502</i>	<i>\$ 1,489,172</i>	<i>\$ 1,459,225</i>	<i>\$ 3,203,899</i>
<b>Total</b>		<b>12.9159</b>	<b>\$ 569,434</b>	<b>\$ 3,318,897</b>	<b>\$ 3,252,153</b>	<b>\$ 7,140,484</b>

Source: Tiberius Solutions

**Summary of impacts**

The key takeaways regarding the impact of the proposed Amendment to the Tualatin Valley Fire and Rescue District are summarized below:

- The amendment will extend the life of the URA by three years to generate sufficient funding for the Boeckman Dip Bridge project. This project will improve the safety of Boeckman Road for all modes of transportation and will help facilitate the future development in the Frog Pond area, that will add significant new value to the tax rolls.
- The three-year extension of the URA will have a negative impact on permanent rate levy tax collections, resulting in approximately \$1.7 million in additional foregone revenue from the Tualatin Valley Fire and Rescue District.
- The City’s existing policy to cap tax increment collections at \$4M per year results in a lower annual impact to the Tualatin Valley Fire and Rescue District than the statutory formula for revenue sharing.

**Process for Review**

The process for final review of the Amendment and Report include the following steps:

Dec. 11-15, 2017	Send formal notice to taxing jurisdictions
Dec. 13, 2017	Planning Commission hearing
Jan. 2018	Presentation to and approval consideration by Clackamas County Commission
Dec./Jan., 2017-18	Notice to property owners
Feb. 22, 2018	Wilsonville City Council public hearing
March 5, 2018	Tentatively scheduled Wilsonville City Council vote

The draft Year 2000 Urban Renewal Plan Amendment and Report are enclosed with this letter. If you would like to provide written comments, the Wilsonville City Council will respond to them. Please provide any written comments by February 22, 2018. For more information, please contact Jordan Vance, Economic Development Manager at 503-570-1539 [vance@ci.wilsonville.or.us](mailto:vance@ci.wilsonville.or.us).

Sincerely,

Bryan Cosgrove  
City Manager  
City of Wilsonville  
29799 SW Town Center Loop E  
Wilsonville, Oregon 97070

**Attachments:**

- A: Year 2000 Urban Renewal Plan Amendment
- B: Report on the Year 2000 Urban Renewal Plan Amendment
- D: Urban Renewal Area Map



Date: January 9, 2018

Re: Proposed Year 2000 Urban Renewal Plan Amendment

The Wilsonville City Council is considering adoption of an ordinance to amend the Year 2000 Urban Renewal Plan (Plan) to add a project and increase the maximum indebtedness.

To adopt an urban renewal plan amendment, the City is legally required to send the proposed plan amendment to representatives of overlapping taxing districts. The City Council is required to respond specifically to any written recommendations of the districts. This letter officially transmits to the Vector Control Taxing District the proposed Year 2000 Urban Renewal Plan Eleventh Amendment.

The Wilsonville City Council is scheduled to have a public hearing on the proposed Year 2000 Urban Renewal Plan Amendment on February 22, 2018. They are tentatively scheduled to vote on the proposed Year 2000 Urban Renewal Plan Amendment on at their March 5 meeting. Both meetings are at the City Hall, at 7:00 p.m.

## **Background**

At their March 20, 2017 meeting, the Wilsonville City Council was briefed on the Boeckman Road project, which will cost approximately \$14 million and is located within the Year 2000 Plan Urban Renewal Area (Area) boundary. To sufficiently fund the project through urban renewal, a substantial amendment is required. The City presented the issue of a potential Year 2000 Plan amendment to the Wilsonville Urban Renewal Task Force at its April 24, 2017 meeting. The Task Force unanimously recommended that the Year 2000 plan be amended to include the Boeckman Road project. The Wilsonville Urban Renewal Agency met on December 4, 2017 and voted unanimously to send the proposed amendment out for public review.

## **Proposal**

The Year 2000 Urban Renewal Area, shown in the attached map, consists of approximately 454 acres of land, including rights-of-way.

The following are the key issues in the proposed Amendment:

- This is a substantial amendment to the Year 2000 Plan.
- A new project will be added to the Plan: the Boeckman Dip Bridge. This project will construct a bridge across Boeckman Creek that will improve the safety of Boeckman Road for all modes of transportation and will help facilitate the future development in the Frog Pond area, an area that will add significant new value to the tax rolls.
- The “maximum indebtedness” provides a limit on the amount of funds that may be spent on project, programs, and administration of an urban renewal plan. As a part of the Year 2000 Plan Amendment, the maximum indebtedness will be increased by \$14,509,101 to a total of \$107,196,524.
- The amount of the proposed increase in maximum indebtedness exceeds the authority in Oregon Revised Statutes (ORS) 457 for the Wilsonville City Council to approve on their own.
- The proposed amendment would result in the Year 2000 Plan becoming subject to "revenue sharing" provisions of Oregon Revised Statutes (ORS). However, the City of Wilsonville already "underlevies" annual tax increment revenue for the Year 2000 Plan, through a self-imposed cap of \$4 million in annual tax increment revenue. The City's current approach results in more revenue being shared with overlapping taxing districts than the required statutory formula for revenue sharing. However, as the City's approach is different from the sharing requirements of ORS.
- The Plan, if amended, is projected to result in the continued collection of tax increment revenue through FYE 2023.

## **Impact on Taxing Jurisdictions**

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. The City has projected estimated impacts on the taxing jurisdictions through fiscal year (FYE) 2023, after which point in time the City anticipates terminating the Year 2000 Plan and the collection of tax increment revenue. The remainder of this section describes the key takeaways for the Vector Control Taxing District.

### **Impact on permanent rate levy**

The proposed amendment would result in a decrease in Vector Control Taxing District's permanent rate property tax collections. This is attributable to the length of time that the URA collects tax increment revenue to pay off the Plan's maximum indebtedness. Without the amendment, the URA expects to pay off the Plan's maximum indebtedness in FYE 2020. If the Plan is amended, the URA expects to pay off the Plan's maximum indebtedness in FYE 2023.

Exhibit 1 shows the impact to the Vector Control Taxing District permanent rate collections, with and without the proposed urban renewal amendment. If the plan is amended, total

revenue for the Vector Control Taxing District would be \$7,053 less than if the Plan was not amended.

*Exhibit 1. Impact to Vector Control Taxing District, With and Without Amendment*

FYE	Impact to District, if <u>not</u> Amended	Impact to District, if Amended	Impact of Amendment
2018	\$ (1,908)	\$ (1,908)	\$ -
2019	\$ (2,026)	\$ (2,026)	\$ -
2020	\$ (687)	\$ (2,026)	\$ (1,339)
2021	\$ -	\$ (2,045)	\$ (2,045)
2022	\$ -	\$ (2,045)	\$ (2,045)
2023	\$ -	\$ (1,624)	\$ (1,624)
<b>Total</b>	<b>\$ (4,621)</b>	<b>\$ (11,674)</b>	<b>\$ (7,053)</b>

Source: Tiberius Solutions

### Impacts from revenue sharing

The proposed substantial amendment will result in the Plan becoming subject to revenue sharing requirements in state statutes. The amount of revenue sharing required by ORS is dependent upon the ratio of annual tax increment revenues to the original frozen base value of the Plan. No revenue sharing is required until annual tax increment revenues exceed 10% of the original maximum indebtedness. For the Year 2000 Plan, the original maximum indebtedness was \$53,851,923. This means that mandatory revenue sharing would begin when tax increment revenues exceed \$5,385,192.

However, the City of Wilsonville already "underlevies" annual tax increment revenue for the Year 2000 Plan, through a self-imposed cap of \$4 million in annual tax increment revenue. Given the City's current policy, the URA would never achieve the level of annual tax increment revenue that would trigger the revenue sharing provisions of ORS. Thus, the district is effectively engaging in a method of revenue sharing that is more generous to affected taxing districts than the system required by ORS.

Exhibit 2 shows the impact of the Year 2000 Plan on the Vector Control Taxing District permanent rate levy, comparing two different scenarios: (1) with the City's existing revenue sharing policy (a \$4m cap in TIF revenue for the URA) versus (2) the statutory revenue sharing formula. Both scenarios result in essentially the same aggregate impact to the Vector Control Taxing District through FYE 2026. However, the \$4M cap results in smaller annual impacts for a longer period of time.<sup>1</sup> Note that property tax bills have already been determined for FYE 2018, which is why there is no difference between the two scenarios for the current fiscal year.

<sup>1</sup> The total cumulative tax increment revenue collected by the City is the same in both revenue sharing scenarios. However, the total impacts to the overlapping taxing districts are slightly different. This is due to the presence of a general obligation (GO)

*Exhibit 2. Impact of Amendment with Existing Revenue Sharing Policy vs. Statutory Revenue Sharing Requirement*

FYE	Impact to District, if Amended, with \$4m Cap	Impact to District, if Amended, with Statutory Revenue Sharing	Additional Gain or Loss to District if \$4m Cap is Removed
2018	\$ (1,908)	\$ (1,908)	\$ -
2019	\$ (2,026)	\$ (2,642)	\$ (616)
2020	\$ (2,026)	\$ (2,732)	\$ (706)
2021	\$ (2,045)	\$ (2,781)	\$ (736)
2022	\$ (2,045)	\$ (1,596)	\$ 449
2023	\$ (1,624)	\$ -	\$ 1,624
<b>Total</b>	<b>\$ (11,674)</b>	<b>\$ (11,659)</b>	<b>\$ 15</b>

Source: Tiberius Solutions

**Tax revenues after termination of tax increment**

Upon termination of the URA, all revenue will be distributed to overlapping taxing districts. ORS requires the Report to the Plan Amendment identify the tax revenues for affected taxing districts in the year after the termination of the URA. These numbers are shown in Exhibit 3 below. These are estimates only; changes in the economy may impact the projections.

---

bond through FYE 2020. This results in the City's existing policy having a slightly increased impact on taxing districts than the statutory formula, because the City's policy results in a larger portion of revenue collected after the GO bond expires. This difference for the Vector Control Taxing District is \$15.

**Exhibit 3. Tax Revenues After Termination of Tax Increment Financing**

Taxing District	Type	Tax Rate	Tax Revenue in FYE 2024 (year after termination)			Total
			From Frozen Base	From Excess Value (Used)	From Excess Value (Not Used)	
<b>General Government</b>						
Clackamas County	Permanent	2.4042	\$ 105,996	\$ 617,788	\$ 605,364	\$ 1,329,148
City of Wilsonville	Permanent	2.5206	\$ 111,128	\$ 647,699	\$ 634,673	\$ 1,393,500
County Extension & 4-H	Permanent	0.0500	\$ 2,204	\$ 12,848	\$ 12,590	\$ 27,642
County Library	Permanent	0.3974	\$ 17,520	\$ 102,117	\$ 100,063	\$ 219,700
County Soil Conservation	Permanent	0.0500	\$ 2,204	\$ 12,848	\$ 12,590	\$ 27,642
FD64 TVF&R	Permanent	1.5252	\$ 67,243	\$ 391,919	\$ 384,037	\$ 843,199
Port of Portland	Permanent	0.0701	\$ 3,091	\$ 18,013	\$ 17,651	\$ 38,755
Road District 15 Wilsonville	Permanent	0.0000	\$ -	\$ -	\$ -	\$ -
Srv 2 Metro	Permanent	0.0966	\$ 4,259	\$ 24,823	\$ 24,323	\$ 53,405
Vector Control	Permanent	0.0065	\$ 287	\$ 1,670	\$ 1,637	\$ 3,594
<i>Subtotal</i>		<i>7.1206</i>	<i>\$ 313,932</i>	<i>\$ 1,829,725</i>	<i>\$ 1,792,928</i>	<i>\$ 3,936,585</i>
<b>Education</b>						
West Linn-Wilsonville School District	Permanent	4.8684	\$ 214,637	\$ 1,250,994	\$ 1,225,836	\$ 2,691,467
Clackamas Community College	Permanent	0.5582	\$ 24,610	\$ 143,436	\$ 140,552	\$ 308,598
Clackamas ESD	Permanent	0.3687	\$ 16,255	\$ 94,742	\$ 92,837	\$ 203,834
<i>Subtotal</i>		<i>5.7953</i>	<i>\$ 255,502</i>	<i>\$ 1,489,172</i>	<i>\$ 1,459,225</i>	<i>\$ 3,203,899</i>
<b>Total</b>		<b>12.9159</b>	<b>\$ 569,434</b>	<b>\$ 3,318,897</b>	<b>\$ 3,252,153</b>	<b>\$ 7,140,484</b>

Source: Tiberius Solutions

**Summary of impacts**

The key takeaways regarding the impact of the proposed Amendment to the Vector Control Taxing District are summarized below:

- The amendment will extend the life of the URA by three years to generate sufficient funding for the Boeckman Dip Bridge project. This project will improve the safety of Boeckman Road for all modes of transportation and will help facilitate the future development in the Frog Pond area, that will add significant new value to the tax rolls.
- The three-year extension of the URA will have a negative impact on permanent rate levy tax collections, resulting in approximately \$7,053 in additional foregone revenue from the Vector Control Taxing District.
- The City's existing policy to cap tax increment collections at \$4M per year results in a lower annual impact to the Vector Control Taxing District than the statutory formula for revenue sharing.

**Process for Review**

The process for final review of the Amendment and Report include the following steps:

Dec. 11-15, 2017	Send formal notice to taxing jurisdictions
Dec. 13, 2017	Planning Commission hearing
Jan. 2018	Presentation to and approval consideration by Clackamas County Commission
Dec./Jan., 2017-18	Notice to property owners
Feb. 22, 2018	Wilsonville City Council public hearing
March 5, 2018	Tentatively scheduled Wilsonville City Council vote

The draft Year 2000 Urban Renewal Plan Amendment and Report are enclosed with this letter. If you would like to provide written comments, the Wilsonville City Council will respond to them. Please provide any written comments by February 22, 2018. For more information, please contact Jordan Vance, Economic Development Manager at 503-570-1539 [vance@ci.wilsonville.or.us](mailto:vance@ci.wilsonville.or.us).

Sincerely,

Bryan Cosgrove  
City Manager  
City of Wilsonville  
29799 SW Town Center Loop E  
Wilsonville, Oregon 97070

**Attachments:**

- A: Year 2000 Urban Renewal Plan Amendment
- B: Report on the Year 2000 Urban Renewal Plan Amendment
- D: Urban Renewal Area Map