

RESOLUTION NO. 2390

A RESOLUTION OF THE CITY OF WILSONVILLE AUTHORIZING A BALLOT TITLE FOR THE MARCH 2013 ELECTION ENTITLED “BUSINESS INCENTIVE PROGRAM FOR INVESTMENT AND JOB CREATION BY MANUFACTURERS”

WHEREAS, the National Citizen Survey™ of the community of Wilsonville conducted in 2012 found that 69 percent of respondents support providing financial incentives to attract new businesses and 76 percent of respondents support providing financial incentives to help expand existing businesses; and

WHEREAS, the City of Wilsonville convened an Economic Development Advisory Committee in 2012 to develop an Economic Development Strategy; and

WHEREAS, in August of 2012, City Council adopted the resulting Economic Development Strategy with the intent of subsequently forming an Economic Development Task Force (Task Force) to examine the use of incentives for business recruitment and retention purposes; and

WHEREAS, this Task Force was convened on November 8, 2012 to discuss and make recommendations to City Council on the use of economic incentives; and

WHEREAS, the proposed mechanism for this incentive is property tax rebates through the use of Urban Renewal by creating up to 6 single-property urban renewal districts to be called Tax Increment Financing Zones (Zone); and

WHEREAS, the intent of the proposed Tax Increment Financing Zone program is to incentivize the private-sector to convert lower-value, vacant and/or underutilized industrial buildings into higher-value manufacturing sites that provide buildings with higher assessed valuation and a larger employment base at a higher wage level; and

WHEREAS, the ultimate objective is to encourage existing or new manufacturers to bring economic benefits to the community in terms of new family-wage jobs, increased tax revenues and increased economic vitality through direct, indirect and induced generation of wealth; and

WHEREAS, if a qualifying investment does not occur within a Zone during the first five years of the adoption of the program, the Zone will be automatically closed; and

WHEREAS, if a qualified investment is made within a Zone, that Zone could have a ten-year term, at which point the Zone would be closed ten years after the first rebate; and

WHEREAS, given the five years to make an investment in a Zone and the potential ten year life of a Zone, the program could have a maximum life of 15 years; and

WHEREAS, each Zone would share at least 25 percent of increased tax increment with other taxing districts and rebate the balance of incrementally paid taxes back to the participating company; and

WHEREAS, if a participating company does not perform by making a qualifying investment, creating a minimum number of sustained new jobs, meeting other qualifying criteria as may be determined and approved by the City Council and the Urban Renewal Agency Board to carry out the program, no rebate will be issued; and

WHEREAS, participating companies, whether tenants or owners occupying any of the proposed Tax Increment Financing Zones, would be eligible to receive a property tax rebate of up to 75 percent of increased property tax increment paid each year, for up to five years, provided that the company meet specific criteria and thereafter, a new five-year rebate period could begin with any new capital investment and job creation, meeting Zone criteria, thereby potentially providing up to a total 10-year rebate; and

WHEREAS City Council has directed that no new Urban Renewal/Tax Increment Financing Zone be established without first obtaining an advisory vote of the citizens; and

WHEREAS, the proposed Ballot Title will allow Wilsonville citizens the opportunity to advise the City Council on whether there is public support to use Urban Renewal in the form of a Tax Increment Financing Zone program to create single-property urban renewal districts as an economic development incentive; and

WHEREAS, on December 13, 2012, a majority of the Task Force quorum voted in support of recommending to City Council the conditional use of financial incentives for businesses investing at least \$25 million in qualifying capital improvements and/or qualifying equipment and creating 75 or more new full-time jobs paying at least 125 percent of the average Clackamas County wage, with two additional years available if the new jobs pay at least 150 percent of average County wage.

NOW, THEREFORE, THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

1. The City Council authorizes the ballot title “Business Incentive Program for Investment and Job Creation by Manufacturers,” a copy of which is marked Exhibit A, attached hereto, and incorporated by reference as if fully set forth herein, to be placed on the ballot for the March 2013 election in order to determine if there is public support for using urban renewal as a tool to provide incentives as described above and more particularly set forth in the Ballot Title.
2. This resolution is effective upon adoption.

ADOPTED by the City Council of the City of Wilsonville at a regular meeting thereof this 17th day of December, 2012, and filed with the Wilsonville City Recorder this date.

TIM KNAPP, MAYOR

ATTEST:

Sandra C. King, MMC, City Recorder

SUMMARY OF VOTES:

Mayor Knapp	Yes
Councilor Nunez	Yes
Councilor Goddard	Excused
Councilor Starr	Yes
Councilor Fitzgerald	Yes

Attachment:
Exhibit A – Ballot Title

REFERRED: CITY OF WILSONVILLE MEASURE _____

CAPTION (**Ten**-word maximum):

Business Incentive Program for Investment and Job Creation by Manufacturers. (10 words)

QUESTION (**Twenty**-word maximum):

Shall urban renewal district zones be created to stimulate converting targeted warehouses to manufacturing by partially rebating property tax increment? (20 words)

SUMMARY (**175**-word maximum):

Many cities offer financial incentive programs to attract business investment. Wilsonville proposes adopting an incentive program to target conversion of vacant or underutilized industrial buildings to manufacturing operations and create jobs.

Up to six buildings over 100,000 square feet in size would be established as Tax Increment Financing Zones. Each Zone would rebate to qualifying companies up to 75 percent of increased property tax increment for three years for investment of at least \$25 million in capital improvements and/or qualified equipment, and creation of 75 or more new full-time jobs paying at least 125 percent of the average Clackamas County wage. Two additional years of rebate available if the 75 new jobs pay at least 150 percent of average county wage.

Each Zone would terminate 10 years after first rebate; non-performance by company would require repayment. If no qualifying investment occurs within five years of creating Zone, it would terminate.

Other taxing districts including schools and fire district would receive 25 percent of increased property tax increment. (167 words)