



WILSONVILLE
URBAN RENEWAL

FY 2022-23 | ANNUAL REPORT



This report fulfills the requirements, as prescribed in ORS 457.460, for the filing of an annual report detailing the financial activity of an urban renewal area established in Oregon.



Photo: Creekside Woods Senior Living (Year 2000 Plan)

OVERVIEW

The Urban Renewal Agency (URA) of the City of Wilsonville is responsible for governing the City's three urban renewal (UR) plan areas and a site specific local economic development program called Wilsonville Investment Now (WIN). The Agency is a separate municipal corporation, governed by the members of the City of Wilsonville City Council. The boundaries for each plan are shown on the map included herein.

Agency plans include the Year 2000 Plan, the West Side Plan, and the Coffee Creek Plan. Fiscal Year 2022-23 was the last year of tax increment collections for the Year 2000 Plan. The West Side Plan will close at the end of FY 2023-24. The first year of tax increment financing (TIF) for the WIN Program will be in FY 2023-24. The three plans, plus the WIN Program are detailed in this annual report.

THE URBAN RENEWAL CONCEPT

Urban Renewal (aka Tax Increment Financing or “TIF”) is used in areas where private development has stagnated or is not feasible without public sector investment and partnership. Public investment through urban renewal is one way to change those conditions.

The types of urban renewal activities undertaken generally include land assembly and development of infrastructure and public amenities (i.e. streets, utility lines, lighting, public open spaces, parks). As the result of the publicly-funded efforts, investment becomes feasible for private developers. Private developments consistent with the City’s adopted plans are then allowed to go forward.

The underpinning theory of urban renewal is that if properties and infrastructure within the district are upgraded, they will contribute more substantially to the local economy and to the property taxes which support all of the taxing jurisdictions and the public services they provide.



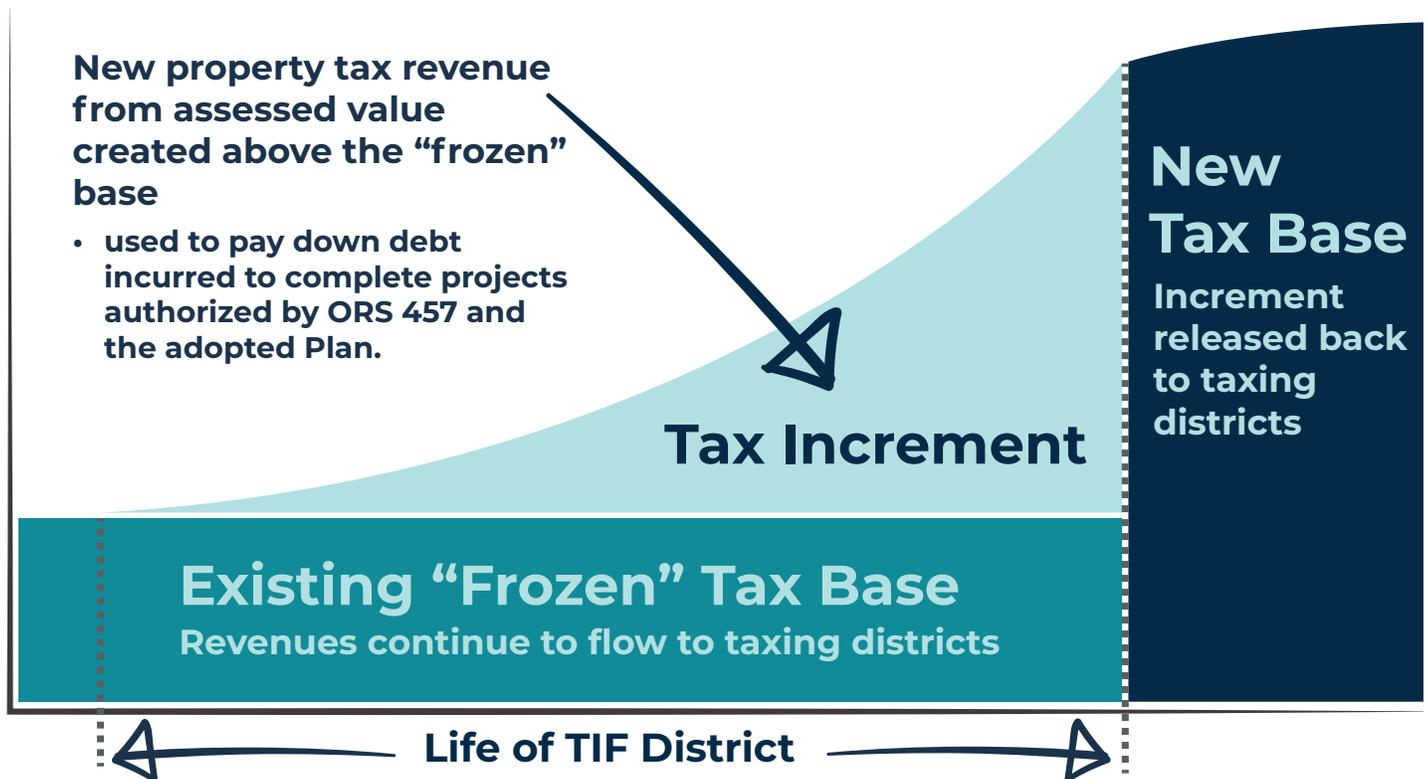
Photo: Waste Water Treatment Plant (Year 2000 Plan)

HOW TAX INCREMENT FINANCE WORKS

When a TIF district is established, the base property tax revenue is determined for the defined boundary, called the “frozen” base. As property values increase above the base in the new district, due to development and regular increases that happen with or without urban renewal, the additional tax revenue generated, known as the “increment,” is used for financing urban renewal projects. Projects are intended to stimulate private development.

During the process of forming an urban renewal district a “maximum indebtedness” (MID), or spending limit, is set. Financing in the form of debt is then obtained to fund and complete the projects in the adopted urban renewal plan. Tax increment is used to pay off the urban renewal debt. When the projects are complete and/or the MID is reached and all debt is retired, the district is closed and all tax increment collection by the URA is stopped.

BASIC TIF MODEL



FINANCIAL REPORTING

FISCAL YEAR 2022-23 FINANCIAL REPORTING:

	Year 2000 FY 2022-23 ACTUALS	West Side FY 2022-23 ACTUALS	Coffee Creek FY 2022-23 ACTUALS
REVENUES:			
Tax Increment	\$ 3,100,868	\$ 5,062,369	\$ 516,325
Investment revenue	431,551	274,738	13,153
Issuance of debt	4,000,000	-	-
Other revenue	13,412	-	-
TOTAL RESOURCES	7,545,831	5,337,107	529,478
EXPENDITURES			
Materials and services	248,733	137,982	148,874
Capital outlay:			
CIP #4196 - 5th St Extension	4,209,257	-	-
CIP #4212 - Boeckman Dip Bridge	197,524	-	-
Debt Service	8,021,064	5,225,033	278,271
Transfer Out	919,094	-	-
TOTAL REQUIREMENTS	13,595,672	5,363,015	427,145
<i>Net change</i>	(6,049,841)	(25,908)	102,333
Beginning fund balance	20,301,122	10,028,384	333,193
Ending fundbalance	14,251,281	10,002,476	435,526

FISCAL YEAR 2023-24 ESTIMATED REVENUE & PROPOSED BUDGETS:

	Year 2000 FY 2023-24 BUDGET	West Side FY 2023-24 BUDGET	Coffee Creek FY 2023-24 BUDGET	WIN Prgm FY 2023-24 BUDGET
REVENUES:				
Tax Increment	\$ -	\$ 1,672,200	\$ 566,800	\$ 750,000
Investment revenue	262,800	189,345	11,605	10,300
Issuance of debt	-	-	500,000	-
TOTAL RESOURCES	262,800	1,861,545	1,078,405	760,300
EXPENDITURES				
Materials and services	267,900	257,364	136,500	750,000
Capital Improvement Projects (CIP):				
CIP #4196 - 5th St Extension	-	-	-	-
CIP #4212 - Boeckman Dip Bridge	9,273,000	-	-	-
CIP #4216 - Brown Road	-	710,000	-	-
Debt Service	-	4,702,025	782,000	-
Transfer Out	25,000	-	-	-
TOTAL REQUIREMENTS	9,565,900	5,669,389	918,500	750,000
<i>Net change</i>	(9,303,100)	(3,807,844)	159,905	10,300
Beginning fund balance	9,303,100	9,801,722	421,887	-
Ending fundbalance	-	5,993,878	581,792	10,300

IMPACT ON TAXING DISTRICTS

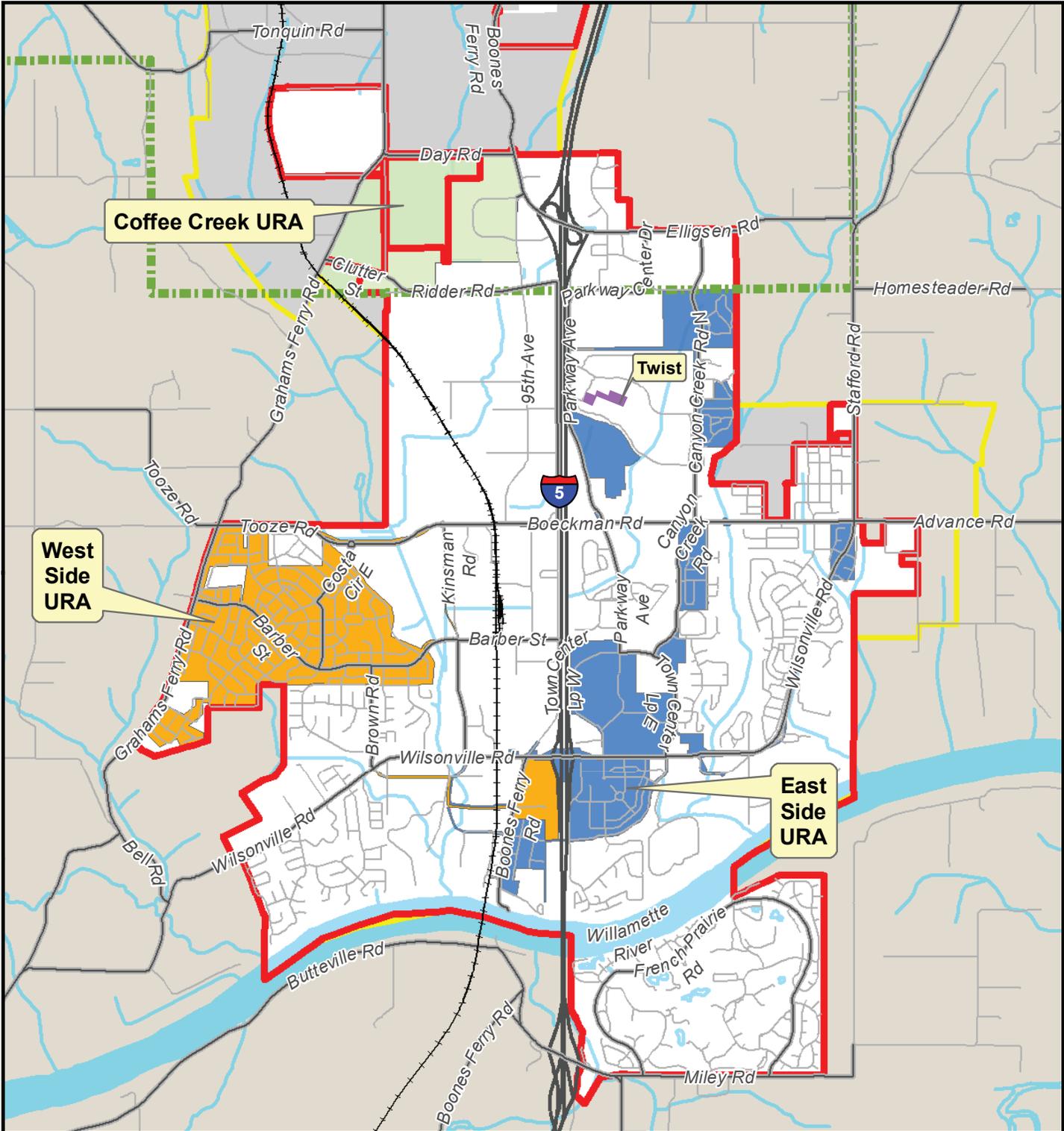
In accordance with ORS 457.460 disclosure requirements, the following chart shows the impact of the urban renewal plans on the tax collections for the preceding year (FY 2022-23) for all the related taxing districts.

Urban Renewal agencies do not create any additional taxes. Property taxes for an urban renewal district are generated through a process called "division of tax". The division of taxes is a tax assessment administrative process in which taxes associated with the incremental value is allocated to the Urban Renewal Agency from each taxing district in the taxing jurisdiction. Affected taxing districts forego a share of property tax income during the life of the urban renewal district, however will benefit thereafter from the result of increased property values.

Under Oregon's current school funding law, school districts are not directly affected by the division of taxes. Although the West Linn/Wilsonville School District, Sherwood School District, Clackamas ESD, and Northwest Regional ESD are not directly affected by the urban renewal division of taxes, the amounts are included for display purposes in the chart below.

District	Plans			Total
	Year 2000	West Side	Coffee Creek	
Clackamas County	\$ 680,434	\$ 964,191	\$ -	\$ 1,644,625
Washington County	\$ -	\$ -	\$ 106,634	\$ 106,634
City of Wilsonville	\$ 713,081	\$ 1,011,071	\$ 96,141	\$ 1,820,293
Clackamas Extension & 4-H	\$ 13,750	\$ 20,001	\$ -	\$ 33,751
Clackamas Library District	\$ 112,086	\$ 159,177	\$ -	\$ 271,263
Clackamas Soil Conservation Distr.	\$ 13,750	\$ 20,001	\$ -	\$ 33,751
Tualatin Soil Conservation Distr.	\$ -	\$ -	\$ 3,023	\$ 3,023
Tualatin Valley Fire & Rescue	\$ 431,493	\$ 611,496	\$ 71,920	\$ 1,114,909
West Linn/Wilsonville Schools	\$ 1,377,899	\$ 1,953,064	\$ -	\$ 3,330,963
Sherwood School District	\$ -	\$ -	\$ 228,261	\$ 228,261
ESD - Clackamas	\$ 104,353	\$ 147,554	\$ -	\$ 251,907
ESD - Northwest Regional	\$ -	\$ -	\$ 7,269	\$ 7,269
Clackamas Community College	\$ 157,921	\$ 223,765	\$ -	\$ 381,686
Portland Community College	\$ -	\$ -	\$ 13,376	\$ 13,376
Vector Control	\$ 1,667	\$ 2,500	\$ -	\$ 4,167
Port of Portland	\$ 19,593	\$ 27,795	\$ 3,207	\$ 50,595
Metro Service District	\$ 27,320	\$ 38,705	\$ 3,648	\$ 69,673
TOTAL	\$ 3,653,347	\$ 5,179,320	\$ 533,479	\$ 9,366,146

Source: Values from Clackamas/Washington County Table 4E



The City of Wilsonville, Oregon

Clackamas and Washington Counties

Urban Renewal Areas



- Proposed Twist Bioscience WIN Zone - 4.4 Acres
- Coffee Creek URA - 258 Acres
- Year 2000 URA - 449 Acres
- West Side URA - 411 Acres
- City Limits
- County Boundary
- UGB



2/18/2022



VALUE & AREA CAPS

Oregon state law allows Wilsonville to create urban renewal districts with up to 25% of the city's total land area. As of June 30, 2023, reflective of the closure of the Year 2000 Plan, the total land area for the city was approximately 5,037 acres and 13.3% (669 acres) of the total was within one of the City's existing urban renewal districts.

The law also limits the total assessed value within all urban renewal districts to 25% of the city's total assessed value. The assessed values are measured at the time a district is created or subsequently adjusted. The table below presents the Urban Renewal value and area cap tests.

District	Area Cap Test		Assessed Value Test	
	Acreage	% of City	Amount	% of City
West Side Plan	411	8.2%	18,017,272	0.4%
Coffee Creek	258	5.1%	99,003,704	2.2%
Combined	669	13.3%	117,020,976	2.6%
Total City	5,037	100.0%	\$ 4,556,427,705	100.0%

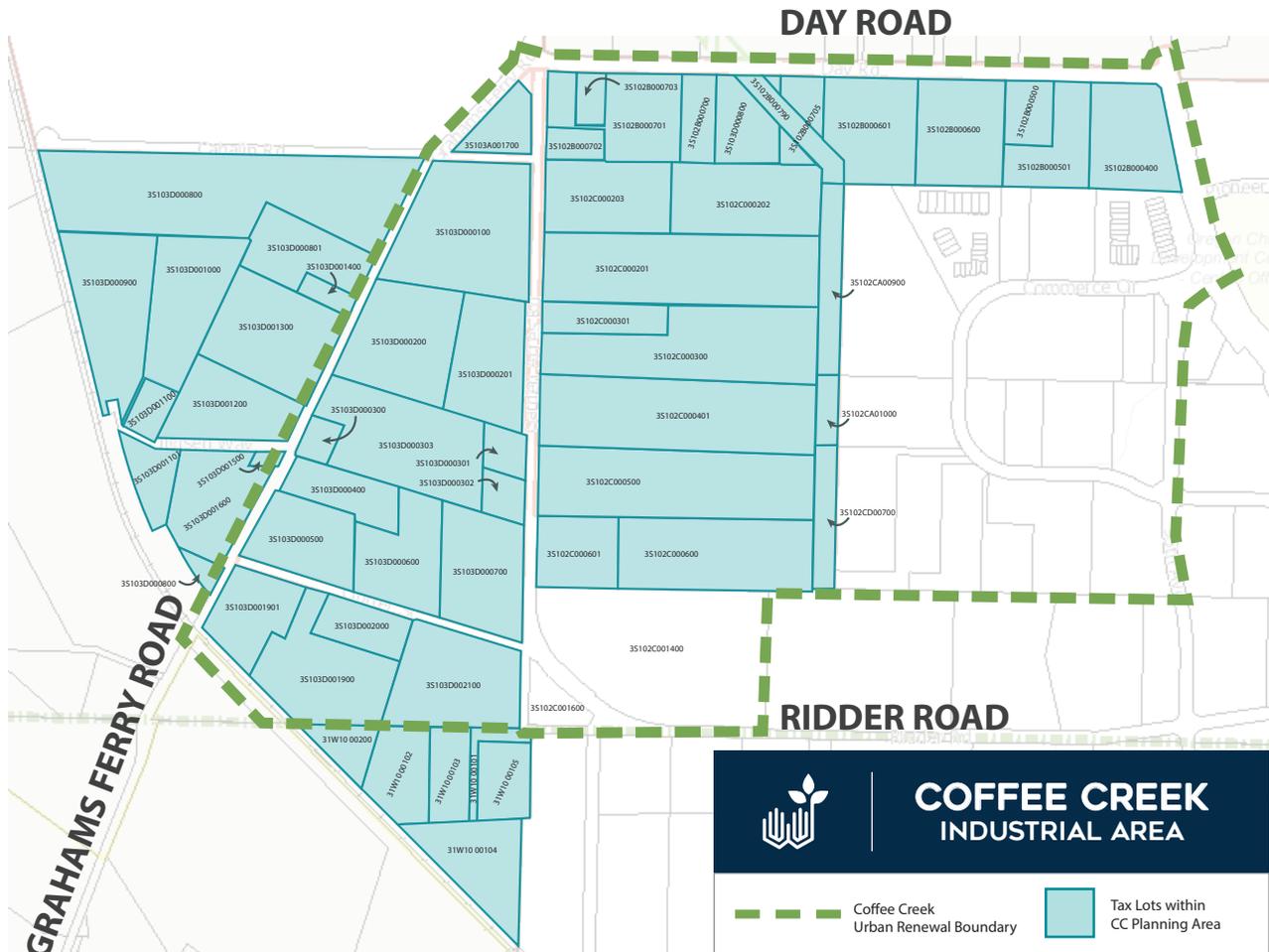
Photo: Garden Acres Road (Coffee Creek Plan)

ACTIVE DISTRICTS

The Wilsonville URA currently has two active urban renewal districts: Coffee Creek, an industrial development area; and the Twist Bioscience district, a single-property urban renewal area approved under the Wilsonville Investment Now (WIN) program, which functions as a tax rebate economic development incentive for companies making significant investments in real property, machinery and equipment, and their employees.

THE COFFEE

The Coffee Creek Urban Renewal Plan was adopted on October 17, 2016 (Ordinance No. 796). The 258.3 acre area seeks to develop a new employment area in Northwest Wilsonville that will attract general industrial, warehouse, flex, research and development, and related business. At plan adoption, a debt limit (MID) of \$67,000,000 was created. At fiscal year-end (06/30/2023), the amount of indebtedness remaining for the Plan Area is \$62,700,000. An additional \$500,000 of debt is budgeted for FY 2023-24.



CREEK PLAN

PLAN DURATION

2016-Active

PROJECTS BUDGET

\$67 M

Projects in the Plan

- SW Day Road
- SW Grahams Ferry Road
- SW Java Road
- SW Garden Acres Road (complete)
- SW Clutter Road
- Sewer Extensions
- Grahams Ferry Storm Outfall
- Regional Detention Pond
- Fiber Optic Network
- Railroad Undercrossing

Garden Acres Road

The first project completed under the Coffee Creek UR Plan is the improvement of Garden Acres Road, to 2/3 width. The project has unlocked 3 private development projects, including Grahams Ferry Industrial Center, shown below.



Photo: Garden Acres Road (Coffee Creek Plan)



Photo: Grahams Ferry Industrial Center (Private Development)



Photo: Garden Acres Road (Coffee Creek Plan)

PROGRAM SUMMARY

On October 19, 2020, the Wilsonville City Council adopted administrative rules for the Wilsonville Investment Now (WIN) Program Resolution 2856). The first program of its kind in Oregon, WIN aims to attract high-value investments from a wide range of businesses. The program's flexible evaluation criteria provides multiple tiers of benefit, including rewards for Wilsonville-owned business and those prioritizing diversity, equity and inclusion initiatives.

The program incentivizes businesses to operate in Wilsonville by providing site-specific urban renewal tax rebates for qualifying development projects outside of the City's existing urban renewal areas. The tax rebate is made possible by designating the project property as an individual urban renewal district. This step, allowed by the State of Oregon's legislative framework, would freeze the current property tax revenues on the site and allow the City to rebate additional tax value of the property generated by the new investment back to the applicant.

The City received its first WIN application in February, 2021 by Twist Bioscience Corp. ("company"), a California-based firm specializing in synthetic DNA. The firm is expanding into a 190,000 square-foot facility in Parkway Woods (26600 S.W. Parkway Ave), and estimates investing up to \$70 million in the structure (\$40M in tenant improvements and \$30M in equipment) and generating 200 new jobs with the goal of ultimately expanding to 400. Given the high investment and job numbers the company qualified for an urban renewal tax rebate from the WIN program. The City Council adopted the site specific WIN Zone for the company on September 9, 2021 via Ordinance No. 849. The site-specific WIN urban renewal is approximately 4.4 acres in size, has a 7 year lifespan, and a maximum indebtedness of \$10,000,000. The first year of tax increment collections (TIF) will be FYE 2024.

More info can be obtained at ci.wilsonville.or.us/WIN

WHO IS T W I S T ?

BIOSCIENCE

Twist Bioscience, founded in 2013, is a leading synthetic biology company revolutionizing DNA synthesis. Specializing in high-throughput gene manufacturing, Twist provides custom DNA solutions for diverse applications, from drug discovery to data storage. Their innovative silicon-based platform enables precise and scalable DNA synthesis, driving advancements in biotechnology and beyond.



INACTIVE DISTRICTS

The Year 2000 district was closed on June 30, 2023 having reached its maximum indebtedness and retired all debt. This district has been revenue sharing since 2016, and an additional \$3.6M has now been released back to taxing districts.

The Westside district will close at the end of FY'24. The URA has already passed a resolution to stop increment collections. In FY'24, the URA underlevied and reduced TIF collections from \$5.2M (FY'23) down to \$1.6M, releasing \$3.6M back to taxing districts.

As detailed on the following pages, these two plans transformed Wilsonville, while growing the tax base remarkably. Affected taxing districts were critical partners in the success of both plans.

The Year 2000 Plan

an Urban Renewal Plan & Program of the City of Wilsonville, Oregon



Plan Duration

1990-2023

Creekside Woods



Fountain @ Murase

Major Projects Completed

Streets & Streetscapes

- ✓ Wilsonville Road Improvements including undergrounding utilities
- ✓ Boones Ferry Road
- ✓ Memorial Drive
- ✓ Canyon Creek Road North
- ✓ Courtside Drive
- ✓ 5th to Kinsman
- ✓ Boeckman Road Corridor Project
- ✓ Boeckman Bike/Ped Imprvmts.
- ✓ Misc. Streetscape, Signals

Parks & Recreation

- ✓ Boozier/Murase Land Acquisition
- ✓ Stein-Boozier Barn Imprvmts.
- ✓ City Hall Site Acquisition
- ✓ Town Center Park
- ✓ Murase Plaza

School Partnerships

- ✓ Wilsonville HS Gymnasium
- ✓ High School Public Facilities
- ✓ High School Girls' Field Imprvmts.
- ✓ I-5 Underpass Enhancements

Facilities & Planning

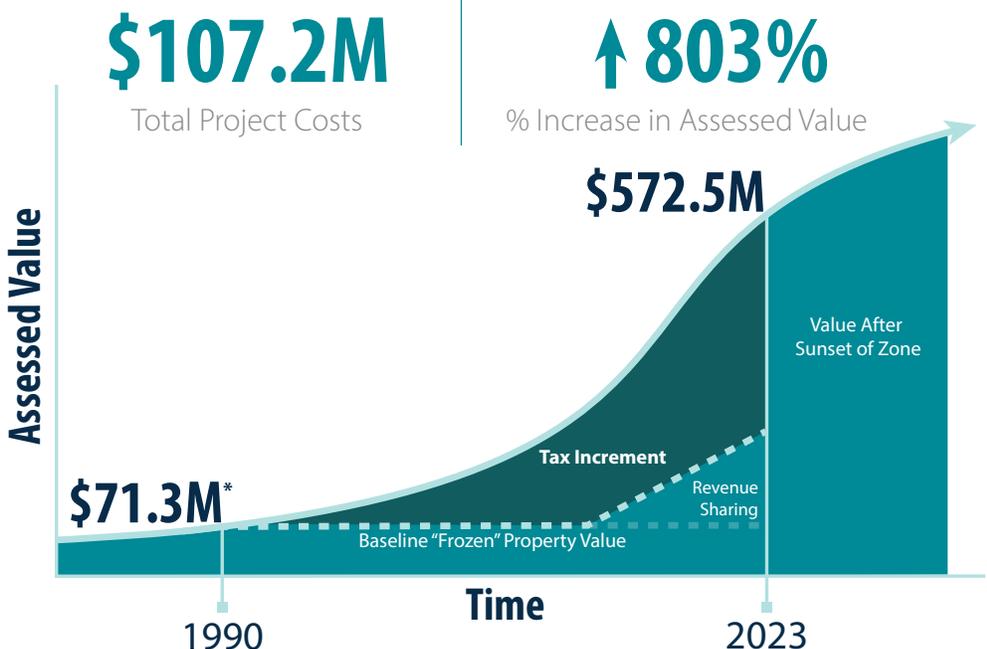
- ✓ City Hall
- ✓ Creekside Woods Senior Housing
- ✓ Sewer Plant Upgrade
- ✓ Town Center Concept Planning

Mission Accomplished

According to the Year 2000 Urban Renewal Plan document from 1990, "The most critical conditions of blight ... [were] related to long-term water supply, waste water treatment capacity, water delivery system, lack of a comprehensive storm drainage system, and the existence of an inadequate and substandard street and transportation system. [Such blight] inhibit[ed] and in some cases prohibit[ed] the timely development of tax-paying property by the private sector."

Over 33 years, strategic investments made under the Plan addressed these blighted conditions, buoying property values and livability while supporting new industrial, commercial, and residential development.

By The Numbers



*The "frozen" base of \$71.3M is inflation-adjusted using CPI. The original "True Cash Value," the basis for Oregon property taxation in 1989-90, for the plan Area was \$30.3M.



Town Center Park



Canyon Creek Road



Wilsonville Road



5th to Kinsman



I-5 Underpass Enhancement



Wastewater Treatment Plant



Stein-Boozier Barn



Wilsonville HS Gymnasium



Boeckman Road Corridor Project

Area Boundary*



Tools for Success

Revenue Sharing

Beginning in 2003 the City began removing parcels from the district in order to limit tax increment collections to approximately \$4 million per year. After FY 2010 the law changed and allowed the City to certify less than 100% of the available taxes and has limited tax increment to \$4 million ever since. This allows taxing districts to enjoy the benefits of urban renewal before the plan sunsets.

Partnerships with Taxing Districts

The City adopted the practice of “consult and confer” before it was written into statute. Affected taxing districts are partners and collaborators. As noted on the project list, several projects were completed in partnership with the School District to enhance livability and support development and student population growth.

Public Engagement

Wilsonville’s use of urban renewal is guided by the Urban Renewal Task force, comprised of residents, affected taxing districts, land owners, developers, and area businesses.

Wilsonville has also adopted the practice of consulting the electorate through an advisory vote before the adoption of any new urban renewal plan in the City.

* The entire shaded area in the map represents the original area boundary. The lighter areas are those that were “released” over the life of the plan in order to share tax increment revenue with overlapping taxing districts.

The Westside Plan

an Urban Renewal Plan & Program of the City of Wilsonville, Oregon



Plan Duration

2003-2024

Major Projects Completed

Infrastructure & Amenities

- ✓ Boeckman Road, west of Kinsman
- ✓ Barber Street/Bridge
- ✓ Tooze Road
- ✓ Brown Road (forthcoming)
- ✓ Villebois Parks

Partnership Projects

- ✓ Primary School Site Acquisition
- ✓ Villebois Residential Sprinklers

Success By All Measures

The Westside Plan was created in order to build public infrastructure to enable the development of the master-planned community of Villebois in west Wilsonville. The Westside Plan is one of the most successful uses of urban renewal in Oregon history, in terms of assessed value creation, private investment leverage, as well as community development and partnership with impacted taxing districts.

In 2016, the City capped tax increment collections, which allowed taxing districts to enjoy new tax revenues before the plan was closed in 2024—this best practice is called revenue sharing.

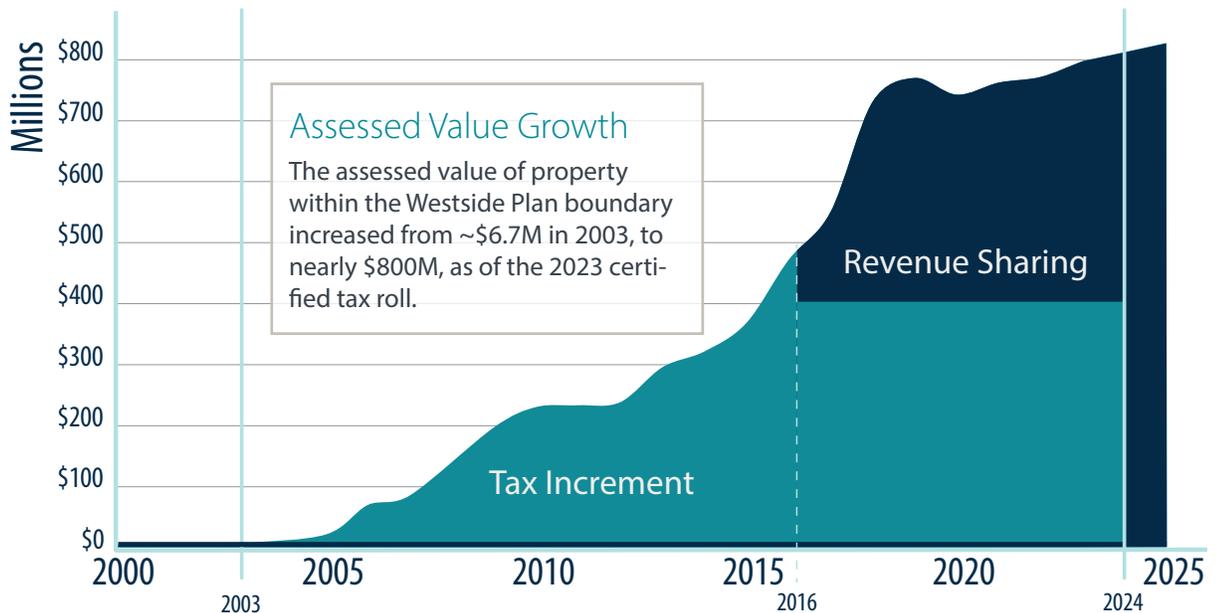
By the Numbers

\$49.4M

Total Project Costs

↑118x

Increase in Assessed Value





Sofia Park



Villebois Drive Roundabout



Boeckman Road Construction (2008)

The Villebois Story

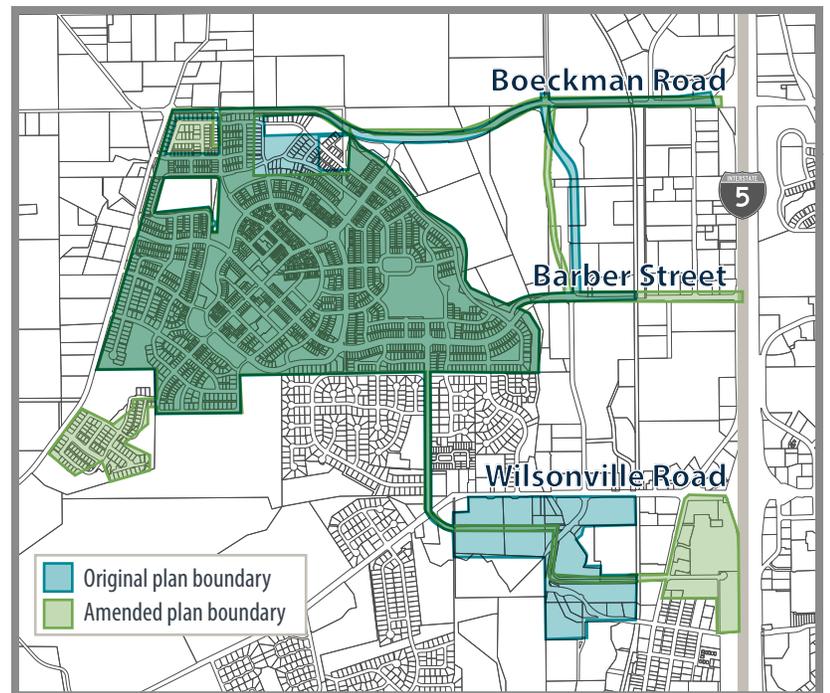
Villebois—an award-winning master-planned community of over 2,400 detached homes, townhomes, condos, and apartments, numerous parks, and a trail system, all built around a central mixed-use piazza—exists on a site where there once was a vacant, state-owned mental hospital and asylum. This outcome was far from inevitable.

Dammasch State Hospital closed in 1995 and the site was to become a women’s prison, until unified local public outcry derailed those plans. After Wilsonville leadership identified an alternative site for the prison, the Oregon Legislature enacted statute requiring the sale of Dammasch to a private entity for redevelopment as a mixed-use urban village. However, the area was not served by public utilities or adequate roads, and the cost of extending those facilities to serve new development would preclude the financial feasibility of any such development.

In 2003, the City of Wilsonville adopted the Westside Urban Renewal plan, and for the next 20 years used tax increment financing to fund the construction of roads and utilities to connect the master-planned Villebois community with the fabric of the City. The Westside Plan invested \$49.4M in order to leverage private investment that created new assessed property value that now stands at nearly \$800M as the urban renewal area closes.

This increase in value creates a new revenue stream for taxing districts, in perpetuity. Furthermore, two specific projects from the Westside Plan demonstrate the importance of partnerships with taxing districts. The City required and paid for systems fees for fire sprinklers in every detached Villebois home using urban renewal funds, which relieved the Fire District from needing to fund, build and staff a new fire station to serve the area. Urban Renewal funding also purchased land that was transferred to the School District, where Lowrie Primary School was built to serve new students from the growing Villebois neighborhood.

Area Boundary





For more information, contact staff within the City's Economic Development and/or Finance departments.