

RESOLUTION NO. 2856

A RESOLUTION OF THE WILSONVILLE CITY COUNCIL ESTABLISHING THE WILSONVILLE INVESTMENT NOW (WIN) PROGRAM ADMINISTRATIVE RULES.

WHEREAS, on December 17, 2012, the Wilsonville City Council approved Resolution No. 2390, referring the Ballot Title “Business Incentive Program for Investment and Job Creation by Manufacturers” to the citizens of Wilsonville for an advisory vote in March of 2013; and

WHEREAS, on March 12, 2013, the citizens of Wilsonville voted to approve the Ballot Title; and

WHEREAS, on March 20, 2013, the City’s Economic Development Task Force completed its recommendations to City Council on economic development incentives and business attributes; and

WHEREAS, on April 15, 2013, City Council approved Resolution No. 2413 adopting the recommendations of the Economic Development Strategy Task Force on business attributes and incentives; and

WHEREAS, on April 15, 2013, the Wilsonville Urban Renewal Agency approved URA Resolution No. 230 recommending that the City Council create multiple single-property urban renewal districts referred to as TIF Zones as a tool to provide incentives for economic development and authorizing staff to begin work necessary to create the Tax Increment Finance Zones; and

WHEREAS, on May 6, 2013, City Council approved Resolution No. 2417 authorizing staff to take necessary steps to create multiple single-property urban renewal districts to be called TIF Zones; and

WHEREAS, on September 5, 2013, the Wilsonville Urban Renewal Agency approved URA Resolution No. 234, recommending that City Council adopt an ordinance to create five single-property urban renewal districts to be called TIF Zones; and

WHEREAS, on October 7th, 2013, the Wilsonville Urban Renewal Agency approved URA Resolutions No. 236, recommending that City Council amend URA Resolution No. 234 to

include a sixth single-property urban renewal district to be called the Building 83 - 26440 SW Parkway Avenue TIF Zone; and

WHEREAS, on November 4, 2013, City Council adopted Ordinance No. 725 approving a single-property urban renewal plan known as the 26755 SW 95th Avenue TIF Zone; and

WHEREAS, on November 4, 2013, City Council adopted Ordinance No. 726 approving a single-property urban renewal plan known as the 9805 SW Boeckman Road TIF Zone; and

WHEREAS, on November 4, 2013, City Council adopted Ordinance No. 727 approving a single-property urban renewal plan known as the 25600 SW Parkway Center Drive TIF Zone; and

WHEREAS, on November 4, 2013, City Council adopted Ordinance No. 728 approving a single-property urban renewal plan known as the 27255 SW 95th Avenue TIF Zone; and

WHEREAS, on November 4, 2013, City Council adopted Ordinance No. 729 approving a single-property urban renewal plan known as the 29899 SW Boones Ferry Road TIF Zone; and

WHEREAS, on November 4, 2013, City Council adopted Ordinance NO. 730 approving a single-property urban renewal plan known as the Bldg. 83 – 26440 SW Parkway Avenue TIF Zone; and

WHEREAS, each TIF Zone single-property urban renewal plan included a provision that the Plan will terminate within five years of the effective date of the Plan if no qualifying investment has been made in the Area; and

WHEREAS, all of the TIF Zone single-property urban renewal plans have been terminated, as no qualifying investments were made in any of the TIF Zone areas prior to the termination dates stipulated in the urban renewal plans; and

WHEREAS, the City Comprehensive Plan Goal 4.1 is “to have an attractive, functional, economically vital community with a balance of different types of land uses;” and

WHEREAS, the City Comprehensive Plan Policy 4.1.3 states “City of Wilsonville shall encourage light industry compatible with the residential and urban nature of the City;” and

WHEREAS, the City Comprehensive Plan Implementation Measure 4.1.3.b is to “Maintain high-quality industrial development that enhances the livability of the area and promotes diversified economic growth and a broad tax base;” and

WHEREAS, the City Comprehensive Plan Implementation Measure 4.1.3.c is to “Favor capital intensive, rather than labor intensive, industries within the City;” and

WHEREAS, Oregon Revised Statutes (ORS) 457 authorizes municipalities in Oregon to establish urban renewal areas, including the authority to raise funds for the purpose of funding economic development projects through the use of tax increment financing; and

WHEREAS, strict eligibility criteria and limited geographic applicability are two factors that restricted the utility of previous single-property urban renewal areas adopted by City Council; and

WHEREAS, following expiration of all of the designated TIF Zones the City's Urban Renewal Task Force met on July 22, 2020 to discuss a revised approach to single-property urban renewal areas known as the Wilsonville Investment Now (WIN) Program, and provided unanimous feedback that the WIN Program is a good direction to take a tax increment finance zone program, and will make the City more competitive with business recruitment, expansion and retention efforts; and

WHEREAS, the City's Urban Renewal Task Force on July 22, 2020 asked the City to consider additional factors in the WIN Program, including (1) diversity, equity, and inclusion; (2) local business expansion; (3) traffic impacts; and (4) traded-sector industry restrictions; and

WHEREAS, on September 10, 2020 City Council gave staff direction to incorporate (1) diversity, equity, and inclusion and (2) local business expansion into the WIN Program as "extra credit" considerations; and


WHEREAS, the economic recession brought on by the Covid-19 pandemic has imposed additional hardships on residents, employees, and businesses in the City of Wilsonville;

NOW THEREFORE, BE IT RESOLVED BY THE WILSONVILLE CITY COUNCIL THAT:

1. The Wilsonville City Council hereby establishes the Wilsonville Investment Now (WIN) Program, intended to provide temporary property tax reimbursement to qualifying businesses based on the following criteria:
 - A) Value of new capital improvements on site
 - B) Number of new employees on site
 - C) Value of compensation of new employees on site
 - D) Commitment to the advancement of diversity, equity, and inclusion goals

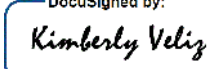
- E) Prioritizing the expansion of local businesses that have already invested in Wilsonville
- 2. The Wilsonville City Council directs staff to further develop parameters of the WIN Program through the adoption of Administrative Rules.
- 3. The Wilsonville City Council directs staff to take the necessary steps to prepare single-property urban renewal plans for City Council consideration for any and all successful applicants to the WIN Program.
- 4. This resolution is effective upon adoption.

ADOPTED by the Wilsonville City Council at a regular meeting thereof this 19th day of October, 2020, and filed with the Wilsonville City Recorder this date.

DocuSigned by:

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Tim Knapp, Mayor

ATTEST:

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Kimberly Veliz, City Recorder

SUMMARY OF VOTES:

Mayor Knapp	YES
Council President Akervall	YES
Councilor Lehan	YES
Councilor West	YES
Councilor Linville	YES

Exhibit:

- A. Wilsonville Investment Now (WIN) Program Administrative Rules



Exhibit A

Wilsonville Investment Now Program, Administrative Rules

Section 1: Purpose

These administrative rules establish the parameters of the Wilsonville Investment Now (WIN) Program.

WIN is a local incentive program that provides tax rebates for qualifying development projects outside of the City's existing urban renewal areas. The program aims to attract high-value investments in the Wilsonville community that strengthen the local economy by:

- Retaining and expanding local businesses
- Attracting new businesses
- Retaining and expanding high-wage jobs
- Contributing to long-term growth in the property tax base through capital investment

Section 2: Definitions

Capital investment includes:

- Newly constructed buildings or structures.
- New additions to or modification of an existing building or structure.
- Heavy or affixed machinery and equipment
- Personal property items costing \$50,000 or more.
- Personal property items costing \$1,000 or more that are used exclusively for production of tangible goods.

Qualified jobs includes new full-time, on-site employees within 1 year of construction, and excludes temporary, seasonal, construction, or part-time (32 hours or less per week) employees.

Section 3: Benefits

3.1 Overview of Benefits

The WIN Program provides qualified businesses with a partial reimbursement of property tax payments. The program establishes two tiers of benefits.

3.2 Tiers and Duration of Benefits

Businesses that qualify for full benefits are eligible for partial reimbursement of property tax payments for a period of seven (7) years. Businesses that qualify for partial benefits are eligible for partial reimbursement of property tax payments for a period of (4) years.

3.3 Amount of Reimbursement

The annual amount of reimbursement is limited to the amount of tax increment finance (TIF) revenue received by the Wilsonville Urban Renewal Agency (“Agency”) for the WIN Zone established on behalf of the qualified business.

Annual TIF revenue generated by a WIN Zone does not equal the amount of annual property taxes paid by a qualified business. Oregon Revised Statutes (ORS) Chapter 457 specifies the process for determining the amount of TIF revenue generated by urban renewal areas, including WIN Zones.

The Agency may deduct administrative costs of the WIN Program from annual TIF revenue before calculating the annual amount of reimbursement.

Section 4: Eligibility

3.1 Scoring Criteria

Qualified businesses must achieve a minimum score, based on the following criteria:

- **New Capital Investment**
 - 1.0 point per \$500,000 of investment
- **New Employment**
 - Points per qualified job, based on average annual wage as a percentage of County average:
 - Average annual wage less than 100% of County average: 0 points per qualified job
 - Average annual wage more than 100%, but less than 125% of County average: 0.2 points per qualified job
 - Average annual wage more than 125%, but less than 150% of County average: 0.4 points per qualified job
 - Average annual wage more than 150% of County average: 0.6 points per qualified job
- **Local Business Tenure**
 - 0.5 points for each verified year of business operations in the City of Wilsonville. Maximum of four (4) points.
- **Diversity, Equity, and Inclusion (DEI)**

- 4.0 points for meeting two (2) or more of the following criteria:
 - Criterion 1: Certified by the State of Oregon as having one or more of the following ownership certifications:
 - Minority Business Enterprise (MBE)
 - Women Business Enterprise (WBE)
 - Disadvantaged Business Enterprise (DBE)
 - Service-Disabled Veteran (SDV)
 - Criterion 2: Certified by the State of Oregon as a B Corporation.
 - Criterion 3: Enters into a signed agreement with the City of Wilsonville (requires annual reporting) to implement a DEI Procurement Plan, making a good-faith effort to increase goods and services purchased in the State of Oregon from businesses owned by people of color, women, disadvantaged individuals, and service-disabled veterans.
 - Criterion 4: Enters into a signed agreement with the City of Wilsonville (requires annual reporting) to implement a Workforce Development Plan, making a good-faith effort to:
 - Promote job openings to a wider group of candidates through recruitment agencies, job fairs, and other approaches targeting people of color and former felons from the Coffee Creek Correctional Facility.
 - Provide career pathways to higher-wage jobs, including ongoing training, professional development and opportunities for promotion to higher-level positions.
 - Engage Wilsonville youth through internships, mentoring, and educational opportunities on career pathways in partnership with the West Linn-Wilsonville School District, Clackamas Community College and Oregon Institute of Technology.
 - Criterion 5: Implements a DEI Company Program, maintaining at least one FTE employee committed to implementing a company program on diversity, equity and inclusion (requires annual reporting).
 - Criterion 6: Provides on-site employer-provided childcare (requires annual reporting).

3.2 Eligibility Thresholds

Businesses are eligible for the WIN program, if they achieve the following scores:

- Less than 60 points: Does not qualify for the WIN program
- Greater than or equal to 60 points but less than 80 points: Qualify for partial benefits (4 years).
- 80 points or more: Qualify for full benefits (7 years).

3.2 Geographic Restrictions

To be eligible for the WIN Program, businesses must be located within the City of Wilsonville and outside of any existing urban renewal areas, including any other WIN Zones.

Section 5: Approval Process

5.1 Initial application

Applicants must complete the WIN Program Application Form in Excel with information on the proposed investment, and submit the completed form to City of Wilsonville staff for review.

5.2 Pre-Approval Meeting

After reviewing the WIN Program Application Form, City staff will offer to meet with the Applicant to answer any questions about the program, review key aspects of the application and request any necessary supporting documents.

5.3 Staff Approval

After the pre-approval meeting, and pending review of any requested supporting documents, City staff will make an initial determination of whether or not the proposed investment qualifies for WIN Program benefits. Staff will notify the Applicant in writing of this decision.

5.4 Development Agreement

Upon Staff approval, the City will provide the Applicant with a development agreement that stipulates the conditions the Applicant must achieve to receive WIN Program benefits in future years, and stipulates the City's obligations to provide property tax reimbursement payments to the Applicant.

Upon final agreement and execution of the Development Agreement, the City will prepare a WIN Zone Plan for consideration by City Council.

5.5 Plan Adoption

The WIN Zone Plan functions as an urban renewal plan, and must be adopted in accordance with ORS Chapter 457. This process includes approval by the Wilsonville Urban Renewal Agency, the Wilsonville Planning Commission, and by the Wilsonville City Council. This process includes a public hearing, and requires the City to consult and confer with all affected taxing districts.

Adoption of WIN Zone Plan by a non-emergency ordinance approved by City Council is the final step in the WIN Program approval process. City Council will prioritize projects that contribute to the long-term growth in the property tax base of the city and may use their discretion in approving projects that are too heavily weighted towards equipment likely to depreciate over time or become obsolete with a new user.

Section 6: Annual Reporting

By January 31 of each year, a Qualified Business must provide the City with all reporting documentation for the prior calendar year, as required in the Development Agreement. This documentation may include:

- Copy of property tax bill and proof of payment.
- Proof of number of employees and wages.
- Proof of compliance with DEI criteria (if applicable)

Section 7: Payment of Benefits

Tax increment finance revenue for each WIN Zone will be collected by the County Assessor and distributed to the Agency as it is paid by property owners citywide. After the conclusion of each fiscal year on June 30, the Agency will account for all TIF revenue received, subtract annual administrative expenses, and determine the amount of property tax reimbursement available for each Qualified Business.

Upon review of all annual reporting documents, and determination that a Qualified Business is in compliance with the terms of the WIN Program and the applicable Development Agreement, the Agency will provide the reimbursement payment to a Qualified Business no later than July 31 each year.

Section 8: Dispute Resolution

The protocol for dispute resolution will be as set forth in the development agreement.