

RESOLUTION NO. 2549

RESOLUTION REFERRING TO THE VOTERS WHETHER A COFFEE CREEK URBAN RENEWAL DISTRICT SHOULD BE FORMED.

WHEREAS, in 2002, METRO added the Coffee Creek Industrial Area into the Urban Growth Boundary with the designation of Regionally Significant Industrial Area (RSIA);

WHEREAS, in 2007, the City of Wilsonville completed a master plan for the Coffee Creek Industrial Area and it envisions developing a new employment center in North Wilsonville for approximately 1,800 jobs with an estimated annual payroll of \$55 million at build out. New development is expected to serve general industrial, warehouse, flex, and research and development (R &D) functions; and

WHEREAS, public infrastructure projects needed to redevelop this area, including inflationary and financing costs, are estimated at \$130 million. The urban renewal contribution, or needed maximum indebtedness, is \$67 million. Other funding sources may include developer contributions, system development charges, operational funds, and grants. Only projects within the specific boundaries of an urban renewal district can be funded through urban renewal tax increment financing; and

WHEREAS, the primary projects for the proposed urban renewal plan include:

- Kinsman Road extension, including water, sewer and storm pipelines
- Day Road and sewer line improvements
- Ridder and Clutter Roads improvements and sewer pipeline
- Garden Acres Road improvements
- Java Road improvements (east-west connector)
- Grahams Ferry Road improvements, including water, sewer, and storm pipelines
- Fiber conduit
- Grahams Ferry Road Rail Undercrossing; and

WHEREAS, the proposed projects are intended to improve the transportation grid for freight mobility and industrial business development in the urban renewal area as well as adding

new street connections, bike and pedestrian connections, water, sewer and storm utilities, fiber conduit, and other associated utilities; and

WHEREAS, the urban renewal contribution to these projects is estimated at \$67 million, which, is projected to result in private investment that will increase the assessed value of the area from approximately \$62 million to approximately \$790 million over the life of the district. Once the Coffee Creek Industrial Area is developed, it will increase Wilsonville's tax base and other taxing districts within the District after the debt is paid off and the District is retired; and

WHEREAS, the anticipated urban renewal district boundary measures approximately 264 acres and generally includes the area south of Day Road, east of Grahams Ferry Road, north of the Clackamas County/Washington County boundary, and west of 95th Avenue. This boundary may be modified slightly if and when an urban renewal plan is created; and

WHEREAS, the intended results of the new district is job creation and a stronger economic base for the community; and

WHEREAS, state law limits the amount of land and assessed value that can be placed within urban renewal districts to 25 percent of the total land acreage and 25 percent of the assessed value of property within the City and the proposed Coffee Creek Urban Renewal District would not cause the state law limits to be exceeded; and

WHEREAS, the City Council finds the voters should be referred a ballot measure as to whether a Coffee Creek Urban Renewal District should be formed and has requested the City Attorney to prepare a ballot title for the measure for the Council to refer to the voters.

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

1. Based on the above recitals, incorporated by reference herein, the City Council refers to the voters of the City of Wilsonville for the November 2015 election a ballot measure as to whether a Coffee Creek Urban Renewal District shall be formed, a copy of the City Attorney prepared ballot title for the measure to be referred is marked Exhibit A, attached hereto and incorporated by reference as if fully set forth herein.
2. This Resolution shall is effective upon adoption and the ballot title shall be filed with the City elections officer forthwith.

ADOPTED by the Wilsonville City Council at a regular meeting thereof this 3rd day of August, 2015, 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 Starr - Yes

Councilor Fitzgerald - Yes

Councilor Stevens - Yes

Councilor Lehan - Yes

Exhibits:

Exhibit A – Ballot Measure

CITY OF WILSONVILLE BALLOT MEASURE 3-468

CAPTION (10-word maximum):

Vote on forming a Coffee Creek Urban Renewal District. (9 words)

QUESTION (20-word maximum):

Shall Coffee Creek Tax Increment Financing (Urban Renewal) District be formed to fund the district's streets, utilities, and infrastructure improvements? (20 words)

SUMMARY (175-word maximum):

Forming Coffee Creek Urban Renewal District is intended to use tax increment financing to stimulate private investment in underdeveloped areas designated for industrial redevelopment for a projected assessed value increase of approximately \$728 million.

Tax increment financing is a financing tool which uses taxes paid on increased property values within the district to fund construction of streets and other public infrastructure. Tax increment revenues come primarily from the increase in the taxable value on new construction and equipment.

These revenues are used to repay debt that is secured to fund infrastructure to support redevelopment, including:

- ♦ Kinsman, Day, Ridder, Clutter, Garden Acres, Java, and Grahams Ferry Road projects
- ♦ Water, sewer, and storm pipelines and storm detention associated with these road projects
- ♦ Fiber conduit
- ♦ Grahams Ferry Road rail undercrossing and storm outfall

If passed, an urban renewal plan defining district boundaries and specific proposals will be prepared for review and approval by the Planning Commission before adoption by the City Council. If fails, the district may not be formed.

(171 words)

EXPLANATORY STATEMENT (500-word maximum):

In 2002, Metro added the Coffee Creek Industrial Area into the Urban Growth Boundary with the designation of Regionally Significant Industrial Area (RSIA).

A master plan for the Coffee Creek Industrial Area was completed in 2007 that envisions development of a new employment center in North Wilsonville for approximately 1,800 jobs with an estimated annual payroll of \$55 million at build-out. New development is expected to serve general industrial, warehouse, flex, and research and development (R&D) functions.

Public infrastructure projects needed to redevelop this area, including inflationary and financing costs, are estimated at \$130 million. The urban renewal contribution, or needed maximum indebtedness, is \$67 million. Other funding sources may include developer contributions, system development charges, operational funds, and grants.

These public infrastructure projects are projected to result in private investment that will increase the assessed value of the proposed urban renewal district from approximately \$62 million to approximately \$790 million over the life of the district and increase property tax revenue for Wilsonville and other taxing agencies within the district after the debt is paid off and the district is retired.

Only projects located within the specific boundaries of an urban renewal district can be funded through urban renewal tax increment financing. The projects proposed for a Coffee Creek urban renewal area are intended to improve the transportation grid for freight mobility and industrial business development, and provide bike and pedestrian connections and needed utilities. These include:

- ♦ Kinsman, Day, Ridder, Clutter, Garden Acres, Java, and Grahams Ferry Road projects
- ♦ Water, sewer, and storm pipelines and storm detention associated with these road projects
- ♦ Fiber conduit
- ♦ Grahams Ferry Road rail undercrossing and storm outfall

The anticipated urban renewal district boundary measures approximately 264 acres and generally includes the area south of Day Road, east of Grahams Ferry Road, north of the Clackamas County/Washington County boundary, and west of 95th Avenue. This boundary may be modified slightly if and when an urban renewal plan is created. If this measure passes, the City Council intends to finalize the boundaries of the Coffee Creek Urban Renewal District, establish the final project list, and determine the maximum indebtedness amount for the urban renewal area. If the measure fails, the Council intends to forego the District's formation.

Urban renewal allows the increment portion of property taxes assessed and collected to pay for bonds to fund capital investments to support community and economic development efforts. Property taxes collected within the district above a base level are placed into an urban renewal fund instead of being divided among other taxing authorities. Debt is secured to fund urban renewal projects and is repaid from urban renewal tax increment.

The intended result of the new district is job creation and a stronger economic base for the community.

State law limits the amount of land and assessed value that can be placed within urban renewal districts to 25% of the total land acreage and 25% of the assessed value of property within the city.

(497 words)