



MEMORANDUM CITY OF TUALATIN

TO: Honorable Mayor and Members of the City Council
FROM: Sherilyn Lombos, City Manager
DATE: May 3, 2010
SUBJECT: Work Session for May 10, 2010

5:00 p.m. (60 min) – Budget Committee Meeting #1. Staff will present highlights of fiscal year 2009/2010 as well as an overview of the fiscal year 2010/2011 budget. The proposed budget will be distributed. Budget Committee Meeting #2 is scheduled for May 25th at 6:00 p.m.

6:00 p.m. (5 min) – BREAK

6:05 p.m. (10 min) – Council / Commission Meeting Agenda Review, Communications & Roundtable.

This is the opportunity for the Council to review the agenda for the May 10th City Council and Development Commission meetings and take the opportunity to brief the rest of the Council on any issues of mutual interest.

6:15 p.m. (15 min) – High Speed Rail Update & Discussion. ODOT has scheduled a series of open houses asking for feedback on goals for high-speed rail between Eugene and Portland. The closest open house to Tualatin is in Wilsonville on May 20th at 4:30 p.m. Staff will provide information on the status of the Oregon high speed rail project.

6:30 p.m. (20 min) – Executive Session – Labor Relations – ORS 192.660(2)(d).

Enterprise Zones Memo: Attached is an informational memo regarding research that staff has conducted on enterprise zones. Staff is available to answer any questions.

Upcoming Council Meetings & Work Sessions: Attached is a three-month look ahead for upcoming Council meetings and work sessions. If you have any questions, please let me know.

Dates to Note: Attached is the updated community calendar for the next three months.

As always, if you need anything from your staff, please feel free to let me know.



MEMORANDUM

CITY OF TUALATIN

TO: Honorable Mayor and Members of the City Council

THROUGH: Sherilyn Lombos, City Manager 

FROM: Doug Rux, Community Development Director 
Eric Underwood, Development Coordinator) 

DATE: May 10, 2010

SUBJECT: EVALUATION OF THE FEASIBILITY OF ENTERPRISE ZONES
FOR THE CITY OF TUALATIN AS PART OF CITY COUNCIL GOAL
3, NO.3

ISSUE BEFORE THE COUNCIL:

This memo is a briefing on an evaluation conducted by staff on the feasibility of Enterprise Zone establishment within the City of Tualatin. No action is required by the City Council.

POLICY CONSIDERATIONS:

None

BACKGROUND:

A call for applications from local governments for enterprise zone designation was announced on January 4, 2010. The announcement indicated that the Oregon Business Development Department is seeking to designate up to 12 enterprise zones under ORS 285C.250 to replace zones that expire July 1, 2010. The enterprise zone program as a whole will sunset in 2013.

The Oregon Enterprise Zone Program began in 1985 as a "special aid to attract commerce, industry and jobs." The program was extended in 2007 and is set to expire in 2013. Each zone is controlled locally whether the control derives of counties, ports or cities. It is an economic incentive program based on tax abatement. Qualifying businesses that locate or expand their operations within the zone are eligible for 3 to 5 years of property tax abatement for both buildings and equipment.

In response to the January 4th announcement, City staff has been analyzing the feasibility of establishing an enterprise zone within City boundaries. The establishment of an enterprise zone aligns with Council Goal No. 3 to "Achieve economic vitality in all sectors of the community and ensure a sustainable economic and revenue base for the City." The feasibility study involved general research on the State enterprise zone program and application process, analysis of enterprise zone reports, attendance at a State enterprise

zone workshop and correspondence with Oregon's enterprise zone coordinator. Staff compiled the information taken from the research and used it to assess Tualatin's enterprise zone eligibility.

DISCUSSION:

A business or project qualifies for enterprise zone benefits when the total investment costs are greater than one percent of a county's total real market value by the end of the year when operations begin. Within three to five years of commencing operations, at least a certain minimum number of new, full-time employees are hired (number depends on location) and maintained during the tax abatement period. The average annual compensation among all workers for the qualifying business must stay at or above 150 percent of the county average annual wage. According to American FactFinder, the average annual wage for Washington County for years 2006-2007 was \$30,313. Therefore, the required average compensation for a 2006-2008 qualified enterprise zone business would have needed to be maintained at a minimum of \$75,313.

In order for an enterprise zone designation to occur, the proposed enterprise zone must:

1. Conform to size limitations
 - a. For urban zones, 12 square miles overall and a maximum of 5 miles in between non-contiguous zones.
2. Contain available quality industrial sites.
 - a. A supply of developable industrial sites (vacant)
 - b. Area for business expansion or re-development
3. Satisfy hardship criteria
 - a. Economic hardship
4. Have a sponsorship of a city, port, or county government(s)
 - a. Via resolution or letter

Not being able to meet any one of these elements disqualifies a proposed zone.

Applications are not deemed complete until they include a local resolution, economic data, documentation of consultations with local taxing districts, and a map with a legal description of the proposed zone boundary.

The analysis showed that Tualatin could meet item No. 1 as any Tualatin enterprise zone could easily stay well within the 12 square mile requirement. The same is true for item No. 2 as Tualatin possesses several quality vacant industrial sites and areas for redevelopment in the General Manufacturing and Light Industrial Planning Districts. Item No. 4, which would logically be the last step in the evaluation process, was not explored due to the findings from the analysis of item No. 3.

As the evaluation progressed, it became evident that Tualatin's eligibility for an enterprise zone hinged upon meeting the hardship criteria. The hardship criteria refer specifically to the economic hardship intrinsic to the community in comparison to the state or other areas. By Statute, to qualify for the hardship element the proposed zone must meet at least one of the following justifications: (All statistical references made from American FactFinder Economic Data: 2006-2008)

MEMORANDUM: Tualatin Enterprise Zone Analysis

May 10, 2010

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- An unemployment rate of two percentage points or more above the statewide rate or MSA for proposed urban zones.
 - Tualatin's unemployment rate is 1.7% lower than the Portland MSA and 2% lower than the State rate.
 - Tualatin does not meet this requirement
- An income level of 80 percent or less of the equivalent income level for the state or MSA for proposed urban zones.
 - The average income level for Tualatin was higher than both the State and Portland MSA levels.
 - State Average Income Level – \$64,956
 - MSA Average Income Level – \$74,225
 - Tualatin Average Income Level - \$82,493
 - Tualatin does not meet this requirement
- A proportion of persons or households below the federal poverty level that is at least five percentage points higher than the statewide proportion.
 - Poverty levels for Tualatin are below the levels of both the State and Portland MSA.
 - State Poverty Level – 13.4%
 - MSA Poverty Level – 11.4%
 - Tualatin Poverty Level – 10.2%
 - Tualatin does not meet this requirement
- A recent ten-year change in population that is at least 15 percentage points below the state's equivalent population change
 - The ten-year population change for Tualatin was 1% above the state's equivalent population change.
 - State Population Change (10yrs) – 11%
 - Tualatin Population Change (10 yrs) – 12%
 - Tualatin does not meet this requirement

As allowed by the enterprise zone program, Tualatin employed data for the metropolitan statistical area in lieu of statewide data as a basis of comparison since the zone would be located entirely within the metropolitan statistical area. The results of this comparison revealed that Tualatin does not meet the hardship criteria and therefore does not qualify for an enterprise zone.

RECOMMENDATION:

No recommendation at this time. This memo is informational only.

WORK SESSION ITEMS

PowerPoint?

1. Council Meet and Greet Discussion
2. PTA-09-03 Historic Regs Update (Comm Dev)
3. Land Use Notification discussion
4. Neighborhood Traffic Mitigation Process (*Stop Sign/Speed Hump Review*) (Engr)
- 5.

PRESENTATIONS / ANNOUNCEMENTS / SPECIAL REPORTS

PowerPoint?

1. Science & Technology Scholarship Winners (Monique)
2. Upcoming Summer Youth & Recreation Activities
- 3.

CONSENT CALENDAR ITEMS

1. Meeting Minutes
2. 2010 Liquor License Renewal Late Submittal – World in a Glass Wine
- 3.
- 4.

PUBLIC HEARINGS – Legislative, Quasi-Judicial or Other

PowerPoint?

1. PTA-09-07 Land Use Notification Requirements (Comm. Dev.)
2. CUP-10-03 Sherwood School District Maintenance Facility (Comm. Dev.)
3. CUP-10-04 Noble Motors (Auto Repair)
4. PTA-10-01 Doggie Day Care in CG (Legislative) [*cont'd from 4/12/10 – will be cont'd to 6/14/10*]

GENERAL BUSINESS ITEMS (not consent)

PowerPoint?

- 1.
- 2.
- 3.
- 4.
- 5.

EXECUTIVE SESSION ITEMS

- 1.

WORK SESSION ITEMS

PowerPoint?

1. SWM Audit Discussion

2.

3.

4.

5.

PRESENTATIONS / ANNOUNCEMENTS / SPECIAL REPORTS

PowerPoint?

1. YAC Update

2.

3.

CONSENT CALENDAR ITEMS

1. Meeting Minutes

2. Commuter Rail Update

3. Resolution re Du Jour Bonds (Comm Dev)

4. Resolution – Sewer and Storm Drain Rates

5. Resolution – Certifying City Services

PUBLIC HEARINGS – Legislative, Quasi-Judicial or Other

PowerPoint?

1. State Revenue Sharing (Finance)

2.

3.

GENERAL BUSINESS ITEMS (not consent)

PowerPoint?

1.

2.

3.

4.

EXECUTIVE SESSION ITEMS

1. Labor negotiations (TEA & TPOA)

WORK SESSION ITEMS

PowerPoint?

1. Sustainability Update

2.

3.

4.

5.

PRESENTATIONS / ANNOUNCEMENTS / SPECIAL REPORTS

PowerPoint?

1.

2.

3.

CONSENT CALENDAR ITEMS

1. Meeting Minutes

2. Tualatin Tomorrow – Governance/Leadership/Community Engagement

3. Authorization to Executive Collective Bargaining Agreements *[tentative]*

4.

PUBLIC HEARINGS – Legislative, Quasi-Judicial or Other

PowerPoint?

1. PTA-09-08 Mitigation Impacts – Sewer, Water, Storm (*Legislative*) (Comm. Dev.)

2. Public Hearing – Adoption of 2010/11 Budget

3.

GENERAL BUSINESS ITEMS (not consent)

PowerPoint?

1.

2.

3.

4.

5.

EXECUTIVE SESSION ITEMS

1.

WORK SESSION ITEMS

PowerPoint?

1. Pohl Center Programming *[tentative]*

2.

3.

4.

PRESENTATIONS / ANNOUNCEMENTS / SPECIAL REPORTS

PowerPoint?

1. YAC Update

2. Commuter Rail Update

3.

CONSENT CALENDAR ITEMS

1. Meeting Minutes

2.

3.

4.

PUBLIC HEARINGS – Legislative, Quasi-Judicial or Other

PowerPoint?

1. PTA-09-03 Historic Regs *(Legislative)* (Comm. Dev.) *(Tentative)*

2.

3.

GENERAL BUSINESS ITEMS (not consent)

PowerPoint?

1. Tualatin Tomorrow Annual Report

2.

3.

4.

5.

EXECUTIVE SESSION ITEMS

1.

May

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3 11:30a - Tasty Tuesday (Famous Dave's) 7:00p ASR Open House (or 5/5/10) 6:00p CIC Meeting	4 7:30a - Walk + Bike to School Day 10:00a -Public Works Week Shadow Day @ OPS	5 5p Metro RTP Public Hearing 6:45p Clackamas County C-4 Meeting @ County Develop. Services Bldg.	6 7:30a Chamber Networking @ Edward Jones, 8117 SW Seneca	7 10-2:00p Bulky Waste Day @ Allied in Wilsonville	8
9	10 5:00p Work Session: 1st Budget Committee Mtg. 7:00p Council/TDC Mtg	11 5:30p-7:30p Tualatin Tomorrow Annual Event; Juanita Pohl Center	12 1:15-3:40p Public Works Week Fair Day @ Hazelbrook Middle School	13 7:00p TPAC Meeting, Council Chambers	14 7:30a Chamber Networking @ Corner Office, 8215 SW Tualatin-Sherwood Road #200 9:30a YAC Project F.R.I.E.N.D.S.	15 10-2:00p Yard Debris Drop Off Event @ Grimm's Fuel
16 7a-12p Tualatin Trail 10 Miller	17 Chamber Crawdadddy Open Golf Tournament Public Works Week 2010	18 Election Day (Primary)	19 12:00p Core Area Parking District Board, Council Chambers 5:30p Chamber Alive After Five @ Oil Can Henry's Corp. office, 19150 SW 90th Avenue	20 7:30a Chamber Networking @ Cheer Me Up Coffee, 7715 SW Nyberg 12:00-1:00p Public Works Week Picnic @ Comm Pk	21	22
23 7a-12p 10 Cane 10k Run - Commons 9a-1p Pedaling in the Park event - Commons 7a-5p Electric Radio Controlled Unlimited (boats) - Lake of Commons	24 5:00p Work Session 7:00p Council/TDC Mtg	25 6:00p 2nd Budget Committee Meeting 6:30p Tualatin Tomorrow VIC Steering Committee, Library Community Room	26	27 11:30a Chamber Luncheon @ Hayden's 6:00p 3rd Budget Committee Mtg (if needed)	28	29
30	31 Memorial Day Holiday CITY OFFICES AND LIBRARY CLOSED					

2010

June

<i>Sun</i>	<i>Mon</i>	<i>Tue</i>	<i>Wed</i>	<i>Thu</i>	<i>Fri</i>	<i>Sat</i>
		1	2	3	4	5
		8	9	10	11	12
6	7	15	16	17	18	19
	6:00p C/C Meeting			7:00p TPAC Meeting, Council Chambers		8a-5p Tualatin Riverkeepers' Discovery Day - Brown's Ferry Park (take-out)
13	14	22	23	24	25	26
	5:00p Work Session 7:00p Council/TDC Mtg	6:30p Tualatin Tomorrow VIC Meeting @ Police Training Room		11:30a Chamber Luncheon @ Hayden's		7a-5p Electric Radio Controlled Unlimited (boats) - Lake of Commons
20	21	29	30			
27	28					
	5:00p Work Session 7:00p Council/TDC Mtg					

2010

July

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1 6:45p Clackamas County C-4 Meeting @County Develop. Services Bldg.	2	3
4	5 Independence Day Holiday CITY OFFICES CLOSED	6 6:00p CIC Meeting <i>(tentative date)</i>	7	8 7:00P TPAC Meeting, Council Chambers	9	10
11	12 5:00p Work Session 7:00p Council/TDC Mtg	13	14	15 7:00p Urban Renewal Advisory Committee, Council Chambers, 18880 SW Martinazzi Avenue	16	17 7a-5p Electric Radio Controlled Unlimited (boats) -- Lake of Commons 10p-10p Relay for Life @ TuHS artificial turf field
18 8a-12p Relay for Life @ TuHS artificial turf field	19	20	21	22	23	24
25	26 5:00p Work Session 7:00p Council/TDC Mtg	27	28	29	30	31

2010