



**CITY OF
Tigard**

Tigard Business Meeting AGENDA

TIGARD CITY COUNCIL & TOWN CENTER DEVELOPMENT AGENCY

MEETING DATE AND TIME: MARCH 4, 2025 - 6:30 p.m. Business Meeting

MEETING LOCATION: Hybrid - City of Tigard - Town Hall - 13125 SW Hall Blvd., Tigard, OR 97223 - See PUBLIC NOTICE below

PUBLIC NOTICE: In accordance with Oregon House Bill 2560, this will be a hybrid meeting where some Council, staff or public will participate in person and some will participate remotely.

How to comment:

- Written public comment may be submitted electronically at www.tigard-or.gov/Comments by noon the day before the meeting date.
- If attending the meeting in person, please fill out the public comment sign-in sheet at the front of the room and come to the microphone when your name is called.
- If you prefer to call in, please call 503-966-4101 when instructed to be placed in the queue. We ask that you plan on limiting your testimony to two minutes.
- You may comment by video through the Teams app. Go to this link to learn how to participate by video: [March 4, 2025 Council Meeting](http://www.tigard-or.gov/Home/Components/Calendar/Event/8787/66)
(<https://www.tigard-or.gov/Home/Components/Calendar/Event/8787/66>).

Upon request, the City will endeavor to arrange for the following services:

- Qualified sign language interpreters for persons with speech or hearing impairments; and
- Qualified bilingual interpreters.

Since these services must be scheduled with outside service providers, it is important to allow as much lead time as possible. Please notify the City of your need by 5:00 p.m. on the Thursday preceding the meeting by contacting: City Recorder Carol Krager at 503-718-2419 (voice) / 971-724-1565 (cell) / carolk@tigard-or.gov, or 503-684-2772 (TDD - Telecommunications Devices for the Deaf).

SEE ATTACHED AGENDA

VIEW LIVESTREAM ONLINE: <https://www.tigard-or.gov/boxcast>

CABLE VIEWERS: The City Council meeting will be shown live on Channel 21 (1st Tuesdays) and Channel 28 (2nd & 4th Tuesdays) at 6:30 p.m. The meeting will be rebroadcast at the following times on Channel 28:

Thursday 6:00 p.m. Friday 10:00 p.m. Saturday 7:30 p.m. Sunday 11:30 a.m. Monday 6:00 a.m.



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6:30 PM

1. BUSINESS MEETING
 - A. Call to Order
 - B. Roll Call
 - C. Pledge of Allegiance
 - D. Call to Council and Staff for Non-Agenda Items
2. PUBLIC COMMENT
 - A. Public Comment – Written
 - B. Public Comment – In Person
 - C. Public Comment – Phone-In
 - D. Public Comment – Video
3. CITY MANAGER REPORT

4. LEGISLATIVE PUBLIC HEARING: SYSTEM DEVELOPMENT CHARGES AND TEMPORARY CERTIFICATES OF OCCUPANCY
5. LEGISLATIVE PUBLIC HEARING: ORDINANCE AMENDING TIGARD MUNICIPAL CODE 3.44 REGARDING SURPLUS REAL PROPERTY
6. DISCUSS THE JULY 4, 2025 DRONE SHOW
7. TAX INCREMENT FINANCING AGENCY BEST PRACTICES
8. NON-AGENDA ITEMS
9. EXECUTIVE SESSION: The Tigard City Council may go into Executive Session. If an Executive Session is called to order, the appropriate ORS citation will be announced identifying the applicable statute. All discussions are confidential and those present may disclose nothing from the Session. Representatives of the news media are allowed to attend Executive Sessions, as provided by ORS 192.660(4), but must not disclose any information discussed. No Executive Session may be held for the purpose of taking any final action or making any final decision. Executive Sessions are closed to the public.
10. ADJOURNMENT

AIS-5759

4.

Business Meeting

Meeting Date: 03/04/2025

Length (in minutes): 15 Minutes

Agenda Title: Legislative Public Hearing: System Development Charges and Temporary Certificates of Occupancy

Authored By: Agnes Lindor

Presented By: Senior Planner Agnes Lindor

Item Type: Ordinance
Public Hearing - Legislative

Public Hearing No

Legal Ad Required?:

Publication Date:

Information

EXPLANATION OF ISSUE

Consider amendments to the municipal code that require the collection of deferred system development charges prior to issuance of a temporary certificate of occupancy.

ACTION REQUESTED

The Community Development team requests that Council consider adopting the proposed amendments to the municipal code, Chapter 3.24, System Development Charge Program.

Council has requested two meetings to consider ordinances. After the team's presentation and any public testimony, Council could continue the hearing to a date certain and the team will return on that date. Alternatively, Council could opt to adopt the ordinance in tonight's public hearing.

BACKGROUND INFORMATION

System Development Charges (SDCs) are collected with development to reimburse the city for the development's impact on the public infrastructure systems. These charges are collected either at issuance of a building permit or prior to the city's final action, which is a final inspection or issuance of a permanent certificate of occupancy. Currently, the code does not address or mention temporary certificates of occupancy (TCO), creating a loophole where a development can acquire occupancy without paying fees that are due.

Additionally, through the configuration of our new permitting software, Enterprise Permitting and Licensing (EPL), process improvements were identified for the temporary certificate of occupancy process, including clarifying the process of collection of SDCs with TCOs.

The purpose of this amendment is to clarify the timing of the collection of SDCs when there is a temporary certificate of occupancy. The proposed amendment requires the collection of deferred SDC prior to issuance of a temporary certificate of occupancy, when the impact of the development actually occurs. The amendment also aligns with the configured process for temporary certificates of occupancy in EPL and common practice in other jurisdictions.

ALTERNATIVES & RECOMMENDATION

The Council could opt not to adopt the proposed code amendments, leaving in place the current regulations or could opt to amend the proposed amendments by motion.

ADDITIONAL RESOURCES

Attachments

Ordinance

Staff Presentation

**CITY OF TIGARD, OREGON
TIGARD CITY COUNCIL
ORDINANCE NO. 25-**

AN ORDINANCE AMENDING TIGARD MUNICIPAL CODE CHAPTER 3.24 REGARDING THE COLLECTION OF SYSTEM DEVELOPMENT CHARGES PRIOR TO TEMPORARY CERTIFICATE OF OCCUPANCY.

WHEREAS, the City of Tigard is in the process of modernizing its enterprise systems across the City, including a new permitting system known as Enterprise Permitting and Licensing (EPL); and

WHEREAS, through implementation of EPL, the City identified process improvements related to the timing of collection of system development charges (SDCs); and

WHEREAS, SDCs are charges collected to reimburse the City for impacts to public infrastructure that result from development; and

WHEREAS, by collecting SDCs at the issuance of a temporary certificate of occupancy, the proposed change aligns with the City's policy to ensure that collection of system development charges occurs no later than the impacts from the development as well as current policies for the collection of SDCs at the issuance of final certificates of occupancy; and

WHEREAS, the proposed change also aligns the temporary occupancy process configured for EPL.

NOW, THEREFORE, THE CITY OF TIGARD ORDAINS AS FOLLOWS:

SECTION 1: Tigard Municipal Code Chapter 3.24 is amended to read as follows (new text in **bold** and **underline**, deleted text in ~~striketrough~~):

3.24.080 Payment.

A. SDCs are calculated and are due and payable as follows:

1. Calculation. SDCs are calculated based on the fees in effect at the time of submittal of the complete building or plumbing permit application to which the fees relate. If a building or plumbing permit is not required and a land use decision is required, SDCs are calculated based on the fees in effect at the time of submittal of the complete land use application to which the fees relate.
2. Due and Payable.
 - a. Water SDCs are due and payable upon purchase of a water meter.
 - b. All other SDCs are due and payable prior to issuance of a temporary certificate of occupancy, if applicable, or prior to final inspection or the issuance of ~~an~~ permanent certificate of occupancy-permit, whichever is the city's final action; on the building or plumbing permit to which the fees relate.

c. If a building or plumbing permit is not required and a land use decision is required, all other SDCs are due and payable upon issuance of the land use decision to which the fees relate.

- B. The city may not issue **any certificate of occupancy or final inspection approval** a ~~required building permit~~ or allow a connection to the city's systems until all applicable SDCs have been paid in full; **unless an** exemption has been granted pursuant to Section 3.24.100; or installment payment arrangements have been made pursuant to Section 3.24.090.
- C. If development commences or a connection is made to the city's water, sanitary sewer, or stormwater systems without the required building permit or land use approval, all applicable SDCs will be immediately due and payable.

SECTION 2: This ordinance is effective 30 days after its passage by the council, signature by the mayor, and posting by the city recorder.

PASSED: By _____ vote of all council members present after being read by number and title only, this ____ day of _____, 2025.

Carol A. Krager, City Recorder

APPROVED: By Tigard City Council this ____ day of _____, 2025.

Heidi Lueb, Mayor

Approved as to form:

City Attorney

Date



Legislative Public Hearing: System Development Charges and Temporary Certificates of Occupancy City Council March 4, 2025

History

- System Development Charges are fees that reimburse the city for impacts to public infrastructure
- Code allows System Development Charges to be deferred to occupancy
- Payment of System Development Charges is due upon the City's final action (ie. final inspection or Certificate of Occupancy)
- Through Enterprise Permitting and Licensing, process improvements were identified related to the Temporary Certificate of Occupancy process including collection of System Development Charges

The Issue and Solution

- Code allows deferral of System Development Charges to occupancy, but does not account for Temporary Certificate of Occupancy
 - Requires payment at City's final action
- Proposed code requires collection of System Development Charges prior to Temporary Certificate of Occupancy when the impact from the development occurs

Staff Recommendation

- Staff recommends that City Council adopt the proposed amendments are presented

Discussion and Questions

Thank you



CITY OF
Tigard

AIS-5774

5.

Business Meeting

Meeting Date: 03/04/2025

Length (in minutes): 10 Minutes

Agenda Title: Ordinance Amending Tigard Municipal Code 3.44 Regarding Surplus Real Property

Authored By: Shelby Rihala

Presented By: Shelby Rihala, City Attorney

Item Type: Ordinance
Public Hearing - Legislative

Public Hearing No

Legal Ad Required?:

Publication Date:

Information

EXPLANATION OF ISSUE

The current process for the City to dispose of surplus real property is cumbersome, with additional steps and requirements beyond what is required by state law. The proposed changes streamline that process to mirror state law, while at the same time ensuring City Council retains its oversight and final decision-making.

ACTION REQUESTED

Staff requests of approval of the ordinance. In accordance with Council's desire to have two meetings for ordinances, tonight is the first presentation. Council could either approve the ordinance tonight or, if additional time is needed, Council may consider this ordinance again at the next available meeting in April.

BACKGROUND INFORMATION

ORS 271.300 et. seq. governs the disposition of surplus real property by cities. The process in statute is much less prescribed than is currently required by Tigard Municipal Code (TMC) 3.44. The proposed code amendments more closely track the statutory language.

The proposed amendments require a finding by the City Council that disposition of the real property is in the public interest. The amendments then delegate the operational aspects of the property disposition to the City Manager, or their designee. The amendments also eliminate the distinction between standard and substandard property as this distinction is not required by law and having one process ensures more consistency. Finally, the section on broker selection is proposed for deletion because public contracting laws already provide for a required process.

ALTERNATIVES & RECOMMENDATION

Council could either approve the ordinance tonight or, if additional time is needed, Council may consider this ordinance again at the next available meeting in April. City staff are looking for clarity on the required process for disposing of surplus real property due to the need to sell an existing property.

ADDITIONAL RESOURCES

Attachments	
Ordinance	
Exhibit A	

**CITY OF TIGARD, OREGON
TIGARD CITY COUNCIL
ORDINANCE NO. 25-**

AN ORDINANCE AMENDING TIGARD MUNICIPAL CODE CHAPTER 3.44 REGARDING THE DISPOSITION OF SURPLUS REAL PROPERTY

WHEREAS, the processes required by Tigard Municipal Code (TMC) 3.44 for the disposition of surplus real property are more extensive and prescribed than required by state law; and

WHEREAS, the extensive and complex process is cumbersome for City staff and the additional steps do not provide a commensurate benefit for public involvement; and

WHEREAS, having City Council make a finding of the public interest and then delegating the operational aspects of the disposition to the City Manager ensures an opportunity for public involvement as well as process efficiencies.

NOW, THEREFORE, THE CITY OF TIGARD ORDAINS AS FOLLOWS:

SECTION 1: Tigard Municipal Code Chapter 3.44 is amended as attached in Exhibit A (new text in and underline, deleted text in ~~striketrough~~):

SECTION 2: This ordinance is effective 30 days after its passage by the council, signature by the mayor, and posting by the city recorder.

PASSED: By _____ vote of all council members present after being read by number and title only, this ____ day of _____, 2025.

Carol A. Krager, City Recorder

APPROVED: By Tigard City Council this ____ day of _____, 2025.

Heidi Lueb, Mayor

Approved as to form:

City Attorney

Date

Exhibit A

~~§ 3.44.005 — Qualification — Classification.~~

Real property qualifying for the procedure established in this chapter is classified as follows:

~~A. Substandard Undeveloped Property. Parcels with no structures thereon which are not of minimum buildable size for the zone in which located, and parcels that do not meet the city's existing development code.~~

~~B. Standard Undeveloped Property. Parcels with no structures thereon which are of minimum or greater buildable size for the zone in which located.~~

~~C. Developed Property. Parcels of any size with structures thereon.~~

~~D. Special Case Property. Parcels that, notwithstanding subsections A, B and C of this section, were acquired by the city for capital improvement as defined by this code and were purchased subject to an agreement for the manner in which any surplus would be disposed.~~

§ 3.44.010 Disposal of Real ~~Substandard Undeveloped~~ Property.

~~A. Whenever real property owned by the City is not needed for public use, or when the public interest is furthered, the City may sell, exchange, or convey the City's interest in the property. At a public meeting, the city council must make a finding that the public interest will be furthered. Whenever a particular parcel or parcels is proposed for sale by the city, or purchase inquiry is made, and the property is classified as substandard undeveloped property, the matter shall be set on the regular council agenda, but no public hearing is required. Except as otherwise provided in this section, notice of the agenda item shall be given to all property owners within 250 feet of the parcel and to any parties who have inquired about the purchase. If the city has issued a request for proposal seeking purchasers of the property and provided the request for proposal to property owners within 250 feet and to those who have inquired about purchasing the property, notice need only be provided to those who have submitted a proposal. After discussion of the agenda item, the council shall determine whether it will offer the property for sale.~~

~~B. If the city council decides to sell the property, it will direct the city manager or designee to will take further appropriate action to sell the property. The city council may authorize the city manager or designee to publicize as appropriate, determine the existence of interested prospective purchasers, and negotiate for the sale of the property. Nothing in this section shall preclude the city manager or designee from talking preliminary actions, including publicizing a possible sale, determining the existence of interested prospective purchasers, and issuing a request for proposals prior to the city council's decision, so long as the city does not enter into a binding agreement without city council authorization.~~

Exhibit A

C. The city council ~~shall have~~ has the final authority to approve or disapprove the final terms of the sale. The city council may pre-approve terms and the agreement form at the meeting at which it determines to sell the property. If the city council does not pre-approve terms and the agreement form at its initial meeting or if alternate terms or agreement form are proposed, the city council ~~shall~~ will, at a later regularly scheduled council meeting consider approval of the terms and agreement form.

D. Notwithstanding subsections A through C, city council action is not required if the property was acquired by the city for capital improvements and was purchased subject to an agreement for the manner in which any surplus would be disposed.

§ 3.44.015 — Disposal of Standard Undeveloped Property and Developed Property.

~~A. Except as provided in Section 3.44.030 of this chapter, whenever a particular parcel or parcels is proposed for sale by the city or a purchase inquiry is made and the property is classified as standard undeveloped property or developed property, the matter shall be set for a hearing before the council.~~

~~B. Notice of said hearing shall be published once in a newspaper of general circulation in the city at least five days prior to the hearing and shall describe the property proposed for sale.~~

~~C. Prior to the sale of a parcel under this section, an appraisal of the property shall be conducted. At the discretion of the council, such an appraisal may be ordered prior to or after the hearing. The appraisal may be made available to the public at the hearing at the discretion of the council.~~

~~D. Public testimony shall be solicited at the hearing to determine if a sale of any parcel is in the public interest.~~

~~E. After the hearing, the council shall determine whether it will offer the property for sale and what the minimum acceptable terms shall be.~~

~~F. If an offer to sell is authorized by the council, a notice soliciting sealed bids shall be published at least once in a newspaper of general circulation in the city at least two weeks prior to the bid deadline date. The notice shall describe the property to be sold, the minimum acceptable terms of sale, the person designated to receive bids, the last date bids will be received, and the date, time and place that bids will be opened.~~

~~G. If one or more bids are received at or above the minimum acceptable terms, the highest bid shall be accepted and the city manager or designee shall complete the sale.~~

~~H. If no acceptable bids are received on a particular parcel: (1) the council may alter or keep the same minimum terms as established under subsection E of this section and direct staff to hold another sale; or (2) the council may alter or keep the same minimum terms established under subsection E of this section and list the property for six months~~

Exhibit A

~~with a local real estate broker on a multiple listing basis. Brokers shall be selected in accordance with the criteria found at Section 3.44.025 of this chapter. A listing may be renewed for an additional one six month period.~~

~~I. After expiration of the period set out in subsection H of this section, the property shall be removed from the market. Any decision to sell a piece of property once it has been removed from the market shall require that the entire procedure set forth in this chapter be repeated. The council may, however, decide whether or not an additional appraisal is necessary.~~

~~§ 3.44.025 Broker Selection.~~

~~Notwithstanding any administrative rule to the contrary, the selection of a real estate broker shall be in accordance with the following procedures:~~

~~A. The city shall publish notice in a newspaper of general circulation in the City of Tigard inviting proposals for the sale of the real property. The notice shall be published at least one week prior to the date on which proposals are due.~~

~~B. The broker's proposal shall be in writing and it shall address the selection criteria set forth in subsection C of this section.~~

~~C. The city manager or designee shall consider the following factors in the selection of a broker:~~

- ~~1. The broker's record in selling the type of real property being offered by the city for sale and the broker's familiarity with Tigard area market values;~~
- ~~2. The broker's proposed marketing plan and timelines: signs, advertising, direct mail and/or other methods;~~
- ~~3. The amount of the broker's commission; and~~
- ~~4. Other factors which were stated in the notice of the invitation to submit a proposal.~~

~~§ 3.44.030~~20 Transfer of Property to Urban Renewal Agency.

~~A. The council may authorize transfer of real property to an urban renewal agency established by the council pursuant to ORS Chapter 457 on such terms and conditions as the council deems appropriate provided that the council finds that:~~

- ~~1. Transfer to the urban renewal agency for redevelopment or other purpose is consistent with, and will further the goals and objectives of, the adopted urban renewal plan for the agency;~~
- ~~2. The property is not needed for public use by the city or the public interest would be furthered by such transfer; and~~

Exhibit A

- 3. Transfer of the property is otherwise permitted by law.
- B. Transfer may be with or without compensation unless the property was acquired with funds that legally must be reimbursed or as otherwise restricted by law.
- C. A proposed transfer under this section ~~shall~~ will be placed on regular council agenda.

AIS-5762

6.

Business Meeting

Meeting Date: 03/04/2025

Length (in minutes): 20 Minutes

Agenda Title: Discuss the July 4, 2025 Drone Show

Authored By: Kent Wyatt

Presented By: Communications Manager Wyatt

Item Type: Update, Discussion, Direct Staff

Public Hearing No

Legal Ad Required?:

Publication Date:

Information

EXPLANATION OF ISSUE

The purpose of this item is to share an update on the July 4th Drone show.

ACTION REQUESTED

Share input on this community event, now managed and produced by the City of Tigard.

Council is invited to provide feedback and direction on this event, including:

- Number of drones
- Enhanced traffic management
- Additional activities and vendors

BACKGROUND INFORMATION

Last year marked a significant transition for the July 4th celebration, as the city team worked closely with longtime organizer Ron Royce to gain a deeper understanding of the event's production. With Mr. Royce stepping back from hosting, the celebration has officially become a City of Tigard event.

More than 10,000 community members attended last year's event, which featured the city's first-ever drone show. Attendees were invited to share their feedback through a brief survey, and the city team presented the results at the August 2024 Council meeting. Responses highlighted a desire for a longer and more dynamic show while recognizing the benefits of reduced noise and environmental impact compared to traditional fireworks. In response, the Council directed the city team to plan for a 2025 event with enhanced traffic management and infrastructure to accommodate a crowd of 10,000.

To ensure another memorable and improved experience this year, the city team issued a request for proposals from companies specializing in state-of-the-art drone shows that integrate advanced technology with creative storytelling. The team is currently reviewing submissions and will select a provider that best aligns with the city's vision.

As part of this update, the city team will present options for the number of drones in this year's show, outline the city's strategy for managing this large-scale community event, and provide insight into additional activities planned for the celebration.

Previous Council Discussion

August 13, 2024 - The Council reviewed the results of a community survey gathering feedback on the 2024 drone show and subsequently instructed the city team to plan for a 2025 event with enhanced traffic management and infrastructure to accommodate a crowd of 10,000.

February 13, 2024 - Council approved an \$80,000 supplemental budget request from the Transient Lodging Tax, to secure the July 4 drone light show date, and begin educating the community about our transition to a drone light show instead of fireworks.

February 6, 2024 - Council directed city teammates to contract with Sky Elements on a drone show.

ALTERNATIVES & RECOMMENDATION

Council is asked to provide guidance on the number of drones, and other feedback related to the July 4th event.

Council may direct staff not to organize a drone show, or explore an alternative event such as a firework show. Council could also decide not to host a July 4th event at all.

ADDITIONAL RESOURCES

Attachments

Presentation

Update on July 4th Drone Show



Considerations for 2025 July 4th Drone Show

- Traffic control
- Size of the drone show
- Other considerations
 - Family-friendly activities
 - Food and beverage vendors



Traffic Control

Goal: Assist with the bikes, pedestrians, and vehicles entering and exiting the event.

Last year, attendees mentioned in the post-event survey that they had difficulty leaving the venue.

We have pinpointed four intersections that require assistance.

We've been in touch with several companies that can provide the service this year.

Cost: Roughly \$2,000 per intersection



Show Options: 200 Drones

Cost: \$65,000 to \$80,000

- Basic 2D shapes and some 3D elements.
- Requires less setup time and fewer operators.
- Simple shapes, logos, or basic animations. The resolution of the formations is lower, so intricate details might not be as clear.
- Smaller formations that might be ideal for a more localized audience or close-up views.
- Basic animations with limited movement precision and fewer elements in motion at the same time.



Show Options: 300 Drones

Cost: \$105,000 to \$120,000

- Offers better resolution and smoother animations. More drones allow for finer details in designs and more dynamic transitions.
- A larger display area, making it more visible from a distance and allowing for slightly more intricate designs.
- Smoother transitions and more fluid animations.
- More depth in 3D illusions and layering of elements.



Show Options: 400 Drones

Cost: \$140,000 to \$150,000

- Higher costs due to increased technical requirements and software complexity.
- High-resolution formations, complex animations, and multi-layered visuals.
- Ideal for storytelling, 3D effects, and highly detailed images
- Creates expansive formations, making the show visible to larger crowds and enabling simultaneous movement of multiple elements.
- The best motion clarity and realism, as more drones create seamless animation effects.
- Fully immersive 3D effects with multiple layers and high-definition visuals.



AIS-5754

7.

Business Meeting

Meeting Date: 03/04/2025

Length (in minutes): 45 Minutes

Agenda Title: Tax Increment Financing Agency Best Practices

Authored By: Sean Farrelly

Presented By: Sean Farrelly, Redevelopment Manager

Item Type: Town Center Development Agency

Public Hearing No

Legal Ad Required?:

Publication Date:

Information

EXPLANATION OF ISSUE

This session will provide a refresher on Oregon tax increment finding (TIF) District law and best practices and Tigard's two TIF Districts. Similar sessions were held with the Board in 2019 and 2023. Among the topics to be covered:

- Why use TIF Districts/urban renewal?
- Definition of Tax Increment Financing
- State limitations on Tax Increment Financing
- How does Tax Increment Financing work?
- How does the Assessor compute the dollars that go to TIF Distracts/Why is urban renewal on property tax bills?
- Impact on Taxing Jurisdictions
- Goals, Objectives, and Projects of Tigard's City Center and Tigard Triangle TIF District plans
- The relationship between the Town Center Development Agency, Town Center Advisory Commission, and staff

ACTION REQUESTED

The Board of the TCDA is requested to receive the presentation and participate in the discussion. The Board is also welcome to communicate with Interim TCDA Executive Director Rob Drake any specific questions to be addressed in advance of the session.

BACKGROUND INFORMATION

Dates of Previous and Potential Future Considerations

February 5, 2019: Urban Renewal Best Practices

February 14, 2023: TIF Agency Best Practices

Impacts (Community, Budget, Policies and Plans/Strategic Connection)

Tigard Triangle TIF District Plan

City Center TIF District Plan

ALTERNATIVES & RECOMMENDATION

ADDITIONAL RESOURCES

Attachments

TIF Best Practices Power Point



City *of* Tigard

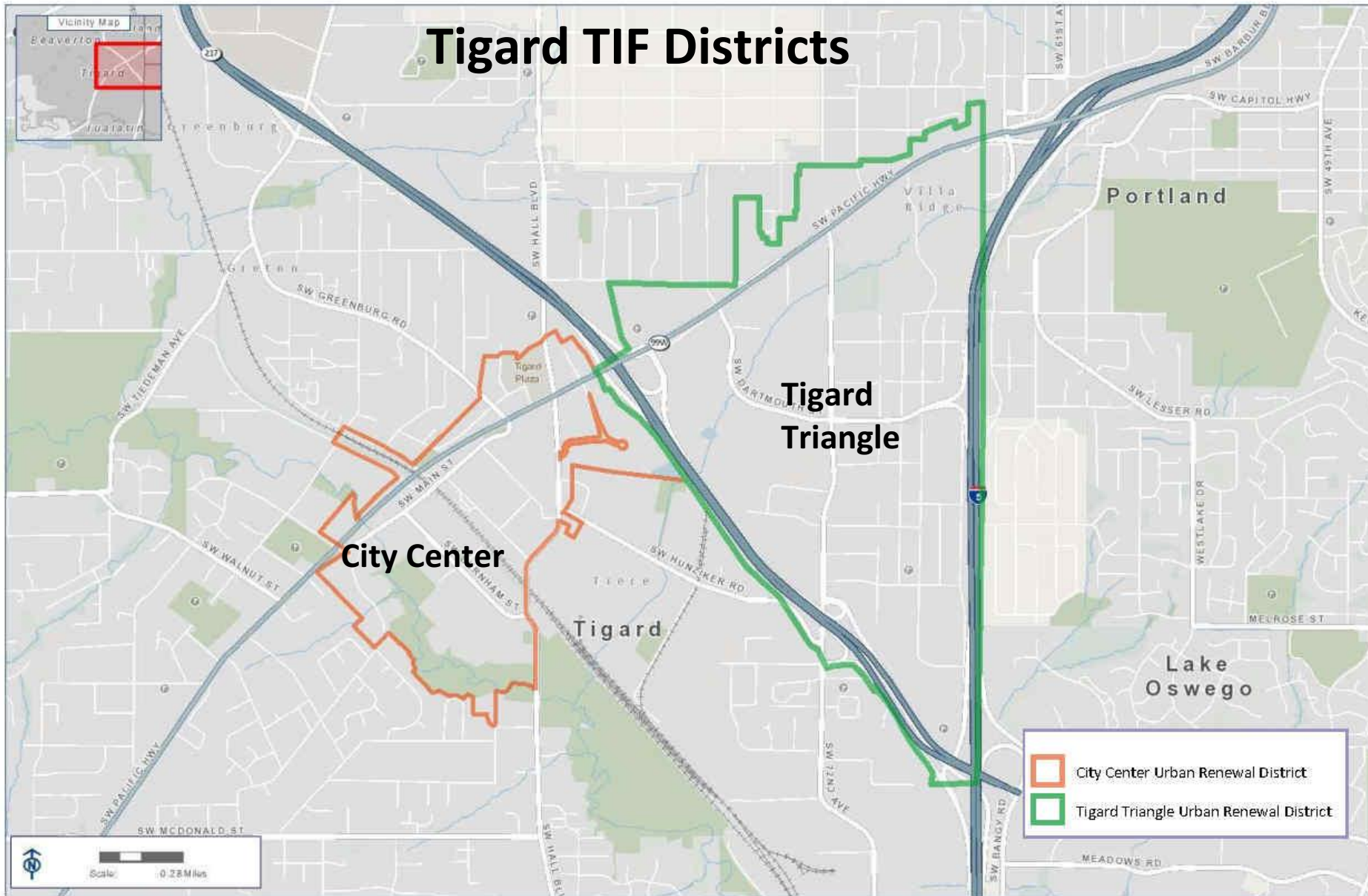
Respect and Care | Do the Right Thing | Get it Done

Tax Increment Financing Best Practices

March 4, 2025



Tigard TIF Districts



Tigard Strategic Plan

“Tigard: An equitable community that is walkable healthy, and accessible for everyone.”



Why Use TIF?



Many opportunities for improvements and redevelopment in cities that need funding



City general funds typically lack the funds to contribute to these opportunities



TIF provides a funding source to bridge the gap

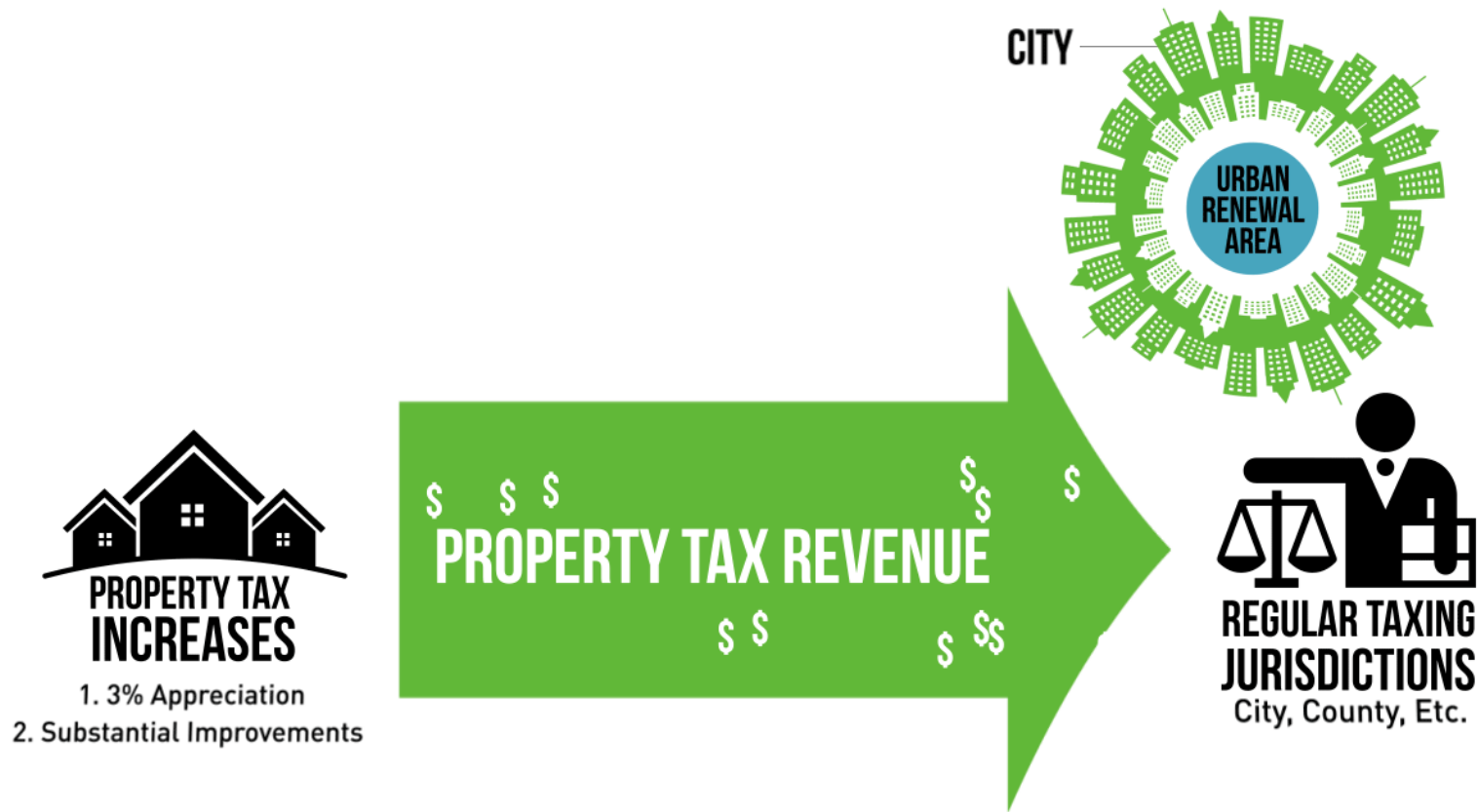
CRASH COURSE | TIF Districts 101



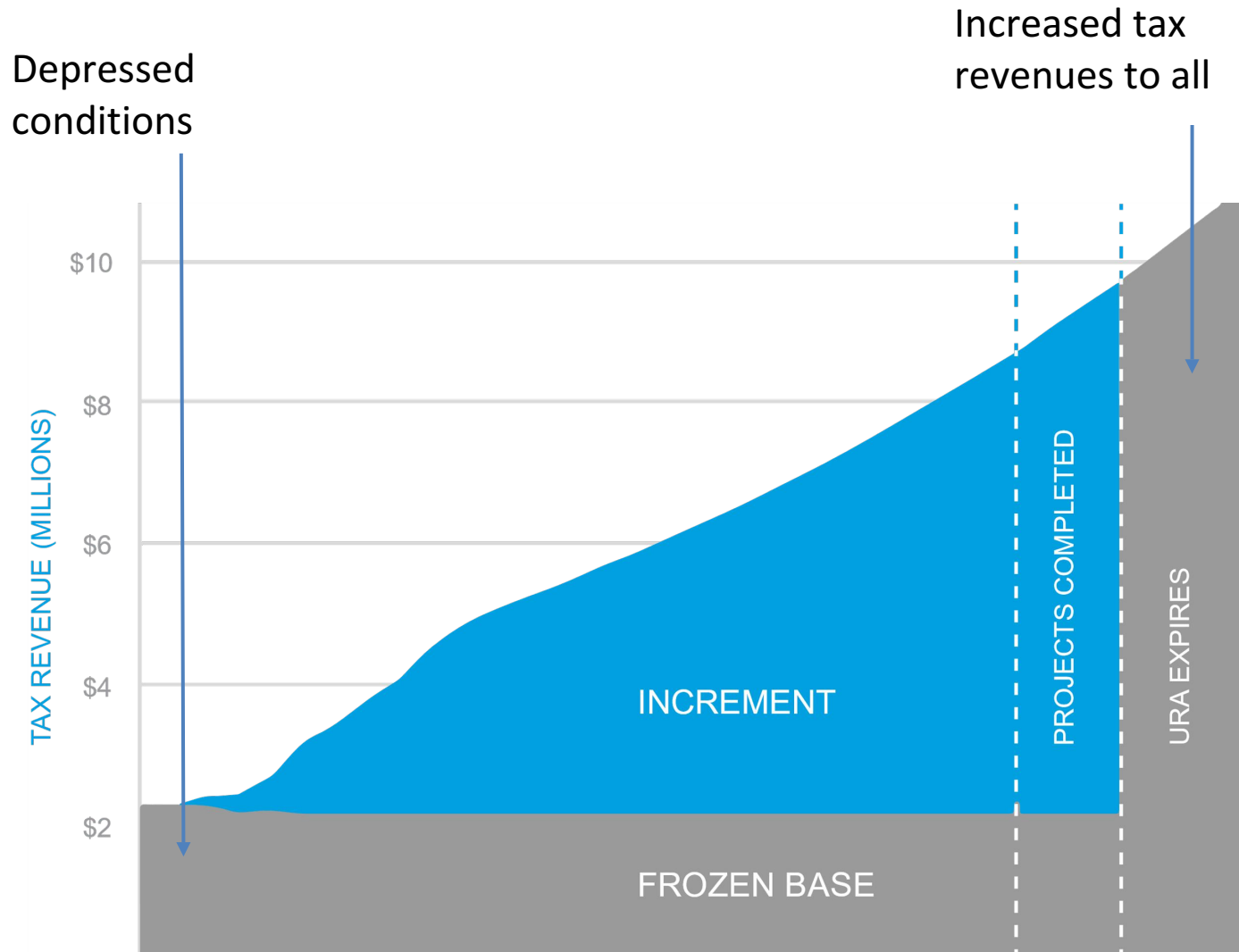
CRASH COURSE | TIF 101



CRASH COURSE | TIF 101



Tax Increment Finance Over Time



What is Tax Increment Financing?

- Economic development tool
- Unique in that it is a financing tool, but also a plan with projects
- Used to address “blighting” influences in specific areas
- Functions on increases in property tax revenues in “TIF Areas”
- Used all over Oregon

What is Blight?

- ❖ Blight is a precondition to any TIF Area
- ❖ Specific criteria defined by state statute, generally covers:
 - Underdevelopment or underutilization of property
 - Poor condition of buildings
 - Inadequacy of infrastructure including streets and utilities

How Does a TIF Area Function?

- **Income Source**
 - ❖ Yearly property tax collections based on growth within Boundary
- **Expenses**
 - ❖ Projects, programs, and administration
- **Spending Limit**
 - ❖ Capped by Maximum Indebtedness (MI):
 - The total amount of money that can be spent over the life of the district on projects, programs, and administration.

Why is Urban Renewal on My Property Tax Bill?

2024-25 CURRENT TAX BY DISTRICT:

NW Regional Education Services - Perm Rate	45.32
Portland Community College - Perm Rate	83.29
Tigard/Tualatin School District - Local Option	302.53
Tigard/Tualatin School District - Perm Rate	1,460.58

EDUCATION TAXES: **\$1,891.72**

City of Tigard - Local Option	87.73
City of Tigard - Perm Rate	739.84
Metro Service District - Local Option	29.04
Metro Service District - Perm Rate	28.47
Port of Portland - Perm Rate	20.66
Tigard/Tualatin Aquatic Center - Perm Rate	26.38
Tualatin Soil & Water District - Perm Rate	26.50
Tualatin Valley Fire & Rescue - Local Option	136.14
Tualatin Valley Fire & Rescue - Perm Rate	449.02
Urban Renewal - Tigard Division of Tax	106.31
Washington County - Local Option	208.75
Washington County - Perm Rate	661.91

GENERAL GOVERNMENT TAXES: **\$2,520.75**

City of Tigard - Bond	101.53
Metro Service District - Bond	115.17
Portland Community College - Bond	112.75
Tigard/Tualatin School District - Bond	511.40
Tualatin Valley Fire & Rescue - Bond	39.75
Washington County - Bond	19.45

BONDS AND MISC TAXES: **\$900.05**

2024-25 LEVIED TAX: **\$5,312.52**
(Before Discount)

Leveraging City Tax Rate

Tax rates

- County
- County Library
- Soil and Water
- 4H and Extension
- City
- School District
- Community College
- ESD
- Port

A Hypothetical Property Tax Bill

Taxing District	Rate	Property Tax Without UR	Property Tax with UR
County	\$ 3.5000	\$360.50	\$350.00
County Library	\$ 0.3947	\$40.657	\$39.47
Soil and Water	\$ 0.0500	\$5.15	\$5.00
4H and Extension	\$ 0.0800	\$8.24	\$8.00
City	\$ 5.1067	\$529.99	\$510.67
School District	\$ 4.4614	\$459.52	\$446.14
Community College	\$ 0.5019	\$51.70	\$50.19
ESD	\$ 0.3049	\$31.40	\$30.49
Port	\$ 0.6004	\$61.84	\$60.04
Urban Renewal			\$45.00
Total	\$ 15.0000	\$1,545.00	\$1,545.00

Property Taxes and TIF

- TIF Division of Taxes does not increase property taxes, it uses increases in property taxes that were already happening
- Urban Renewal is a line item on your property tax bill
- The Assessor must go through the following steps when distributing TIF:
 - ▶ “Calculation” of TIF to be collected
 - ▶ “Distribution” of TIF Citywide to property taxpayers
 - ▶ “Collection” of property tax revenues

Urban Renewal and Property Tax Bill

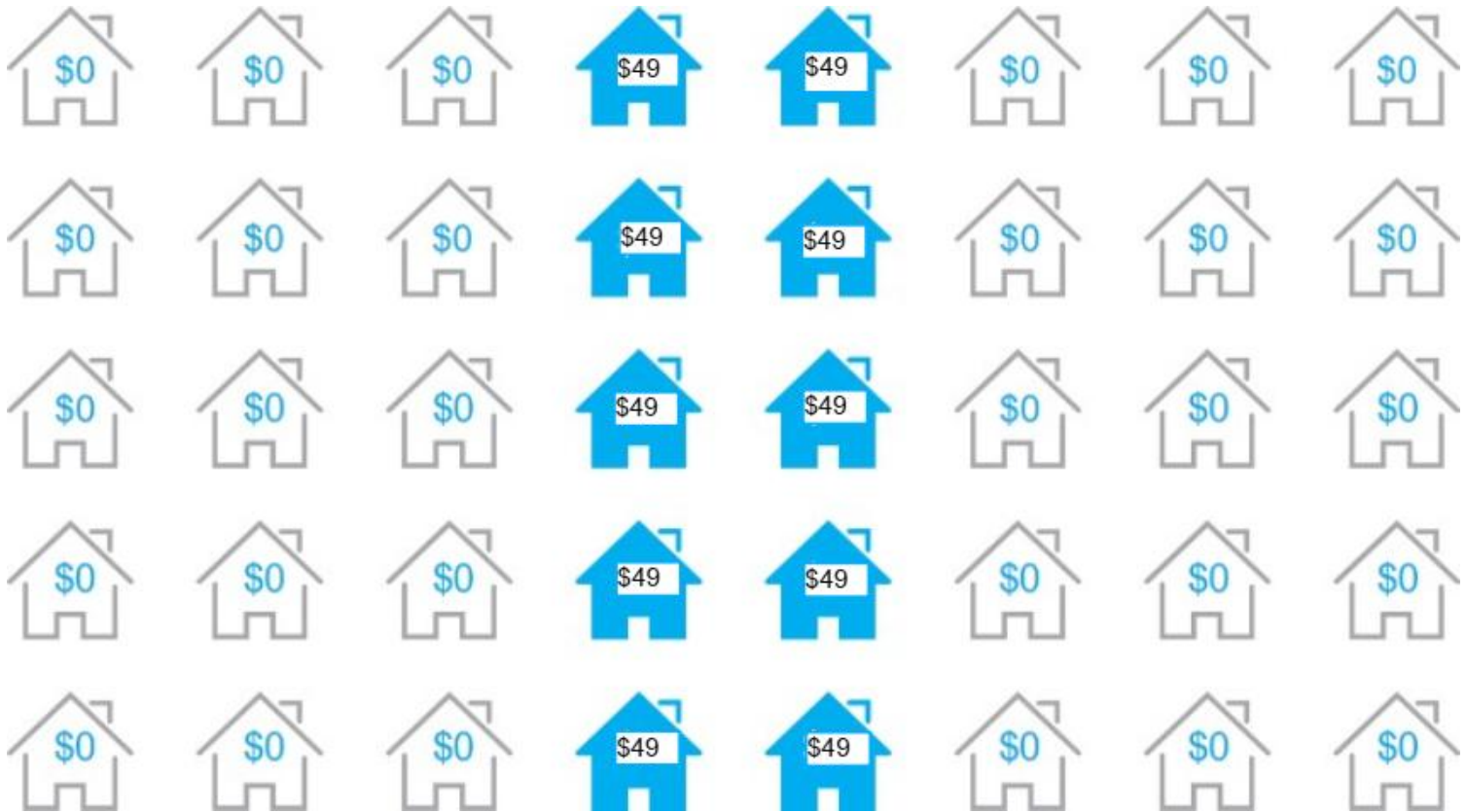
The following slides detail in a conceptual manner the steps an Assessor goes through to distribute TIF revenues to TIF Agency:

- } Calculation
- } Distribution
- } Collection

“DISTRIBUTION”

Houses in City **40**
Total AV 1st Year **\$4,000,000**

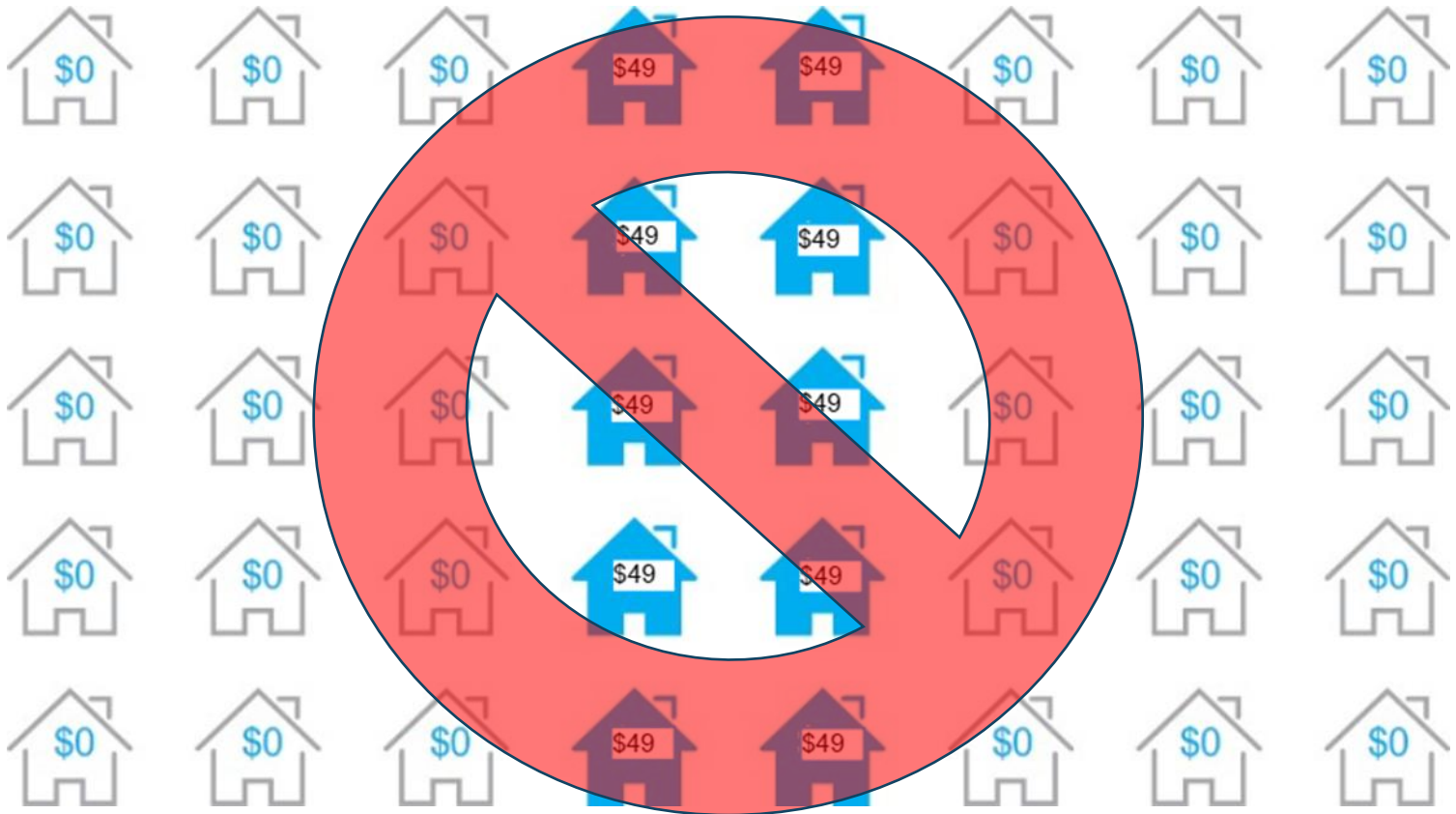
25% First Year **\$1,000,000**
Houses in URA **10**



“DISTRIBUTION”

Houses in City	40
Total AV 1st Year	\$4,000,000

25% First Year	\$1,000,000
Houses in URA	10



“DISTRIBUTION” + “COLLECTION”

Houses in City	40
Total AV 1st Year	\$4,000,000

25% First Year	\$1,000,000
Houses in URA	10

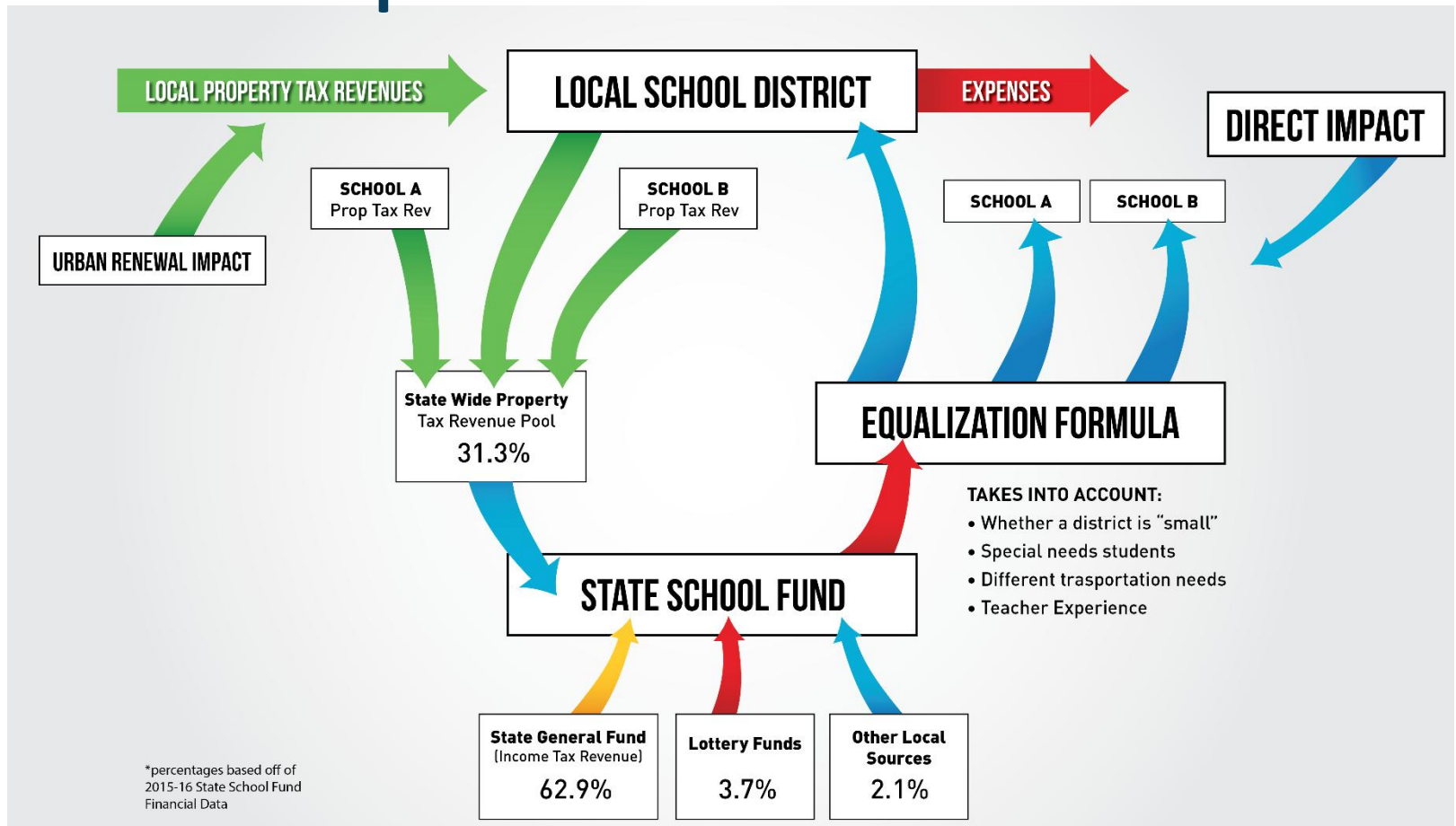


Impacts to Taxing Districts

- ❖ TIF diverts funds that would go to other property tax districts
- ❖ Continue receiving taxes on frozen base
- ❖ Temporarily forego taxes on any growth in TIF area
- ❖ Growth may not have occurred but for the TIF area



TIF Impact on Local Schools





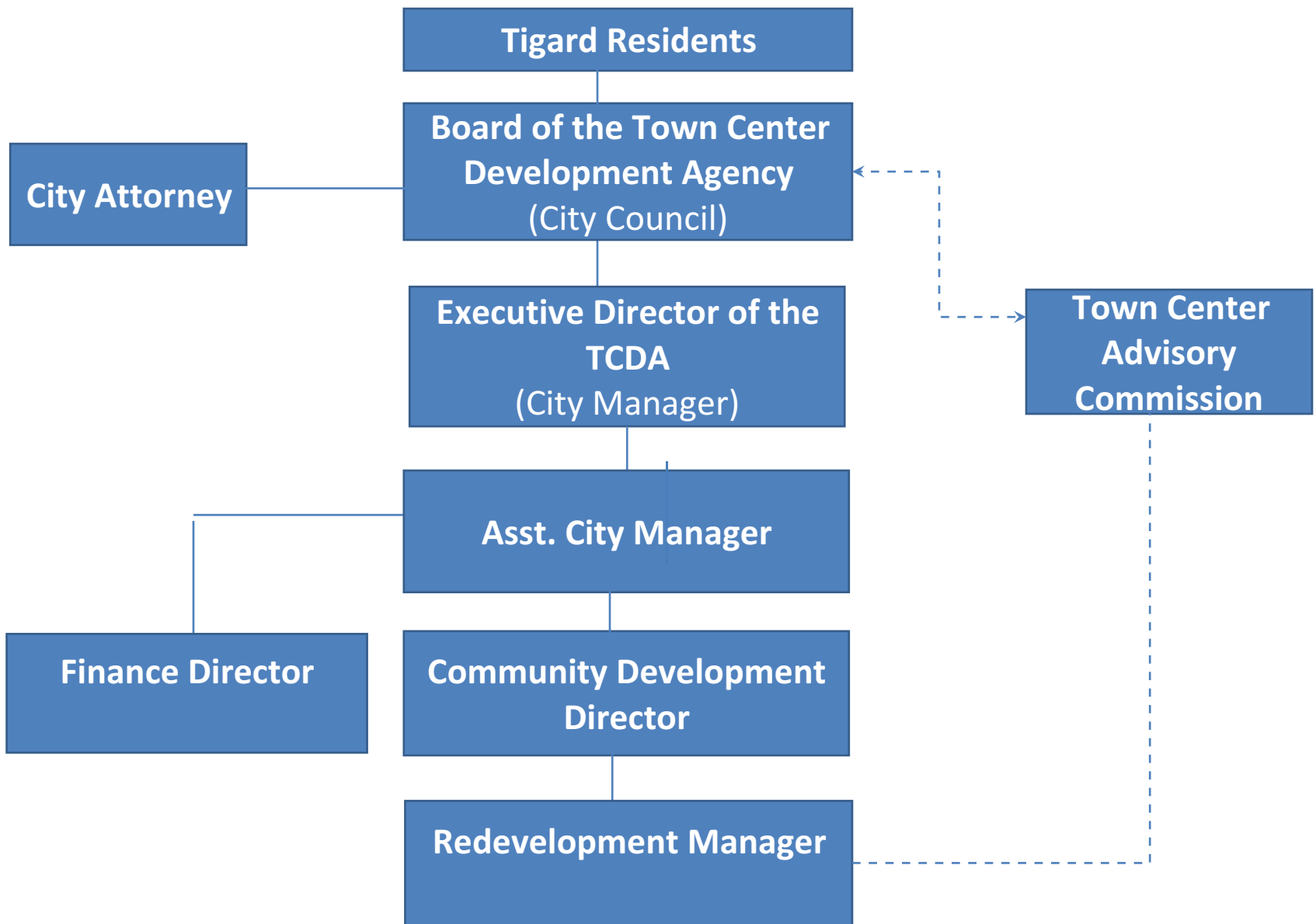
State Limitations on TIF

- ❖ Population over 50,000
 - 15% of Assessed Value of Property in City
 - 15% of Acreage of City
- ❖ Existing Plan limitations:
 - Can not be increased in size by more than 20% of original Plan acreage
 - Maximum Indebtedness (MI) can not increase by more than 20% of original MI, indexing
 - May increase MI above 20% as adjusted only with concurrence from 75% of other taxing districts

		Assessed Value	UR Excess	Acreage
	City of Tigard	\$8,318,226,162		8,166
A	City of Tigard minus UR excess	\$8,096,150,343		
	City Center Frozen base	\$117,522,911	\$80,036,073	228.96
	Tigard Triangle Frozen base	\$424,744,405	\$142,039,746	547.90
B	City Center Plus Tigard Triangle	\$542,267,316	\$222,075,819	776.86
B/A	Percentage in UR	6.7%		9.5%

How is a TIF Plan Adopted?





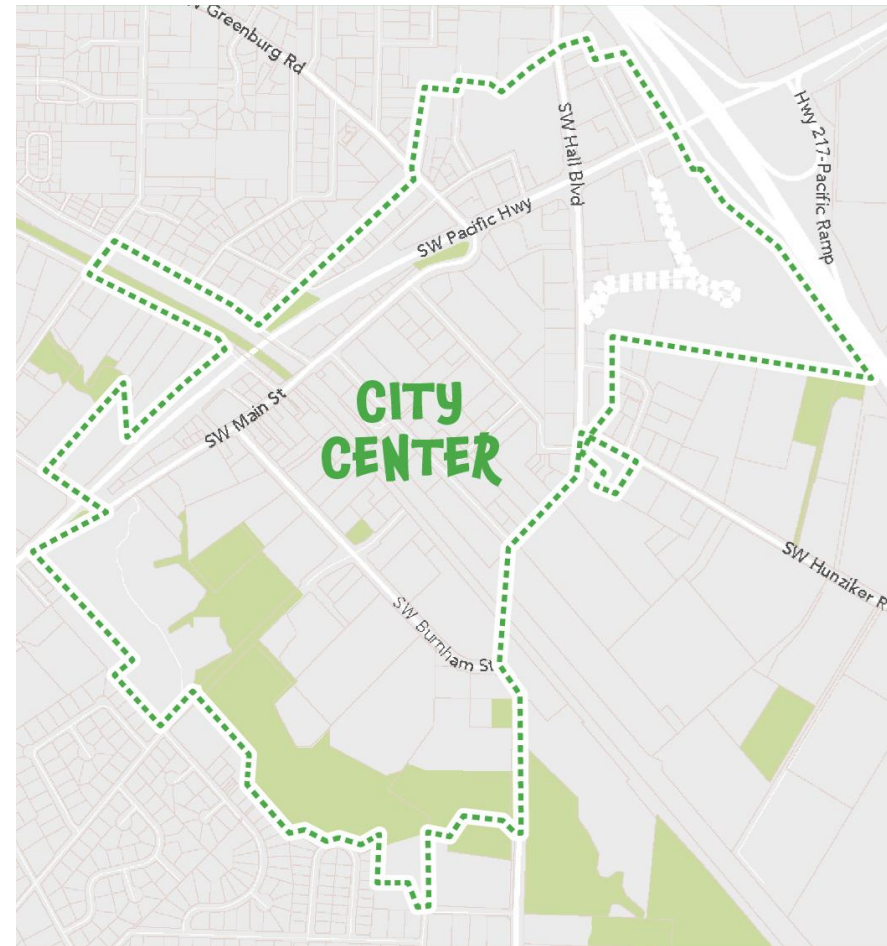
Town Center Development Agency Governance/ Org. Chart

Agency, TCAC and Staff

- The **elected body** (Agency Board) establishes policy, adopts budgets, decides on projects, and makes final decisions. They are the people who must respond to the public on issues.
- The TCAC provides input/recommendations for those decisions. The Agency Board might not always follow those recommendations.
- The TCAC advises on more global matters.
- Details and implementation are the responsibility of staff.

City Center (Downtown) TIF District

- Approved by voters in 2006
- Two Substantial Amendments-
 - 38-acre expansion (2017)
 - Increase max. indebtedness + duration (2021)
- Maximum indebtedness: \$42.8M (\$30.3 M remaining)
- Expires 2035
- 228 acres
- Annual TIF for FY24-25: \$944K



Downtown Tigard Future Vision



Goals of City Center TIF District



1. Recognize the value of natural resources as amenities and contributing to a sense of place



2. Capitalize on Commuter Rail and Fanno Creek as catalysts for future development



3. Downtown transportation system should be multi-modal



4. Streetscape and public spaces should be pedestrian friendly



5. Promote high quality development of retail, office, and residential

City Center TIF Plan Projects

Street
Improvements

Streetscape
Improvements

Bike/Pedestrian
Facilities

Parks

Public Spaces

Public Facilities

Planning and
Development
Assistance

Property
Acquisition and
Disposition

Street/Streetscape Improvements (Completed)

- Main Street Green Street Phase 1
- Burnham Street Improvements
- Burnham Public Parking Lot
- Ash Avenue Connection
- Main Street Green Street Phase 2





Public Spaces/Trails (Completed)

- Rotary Plaza/Tigard St Heritage Trail
- Fanno Creek Trail
- Undercrossing Lights
- Ash Avenue Dog Park

Public Space/Trails (Completed)

Active Projects



Building Improvement Grant Program

- Program started in 2009
- 43 Façade & Interior Improvement Grants



Mixed-Use and Affordable Housing (Completed)



Attwell Off Main



The Knoll (Affordable Senior Housing)

Affordable Housing Projects (Completed)



Alongside Senior Apartments

Mixed-Use Projects (Completed)



AVA Roasteria Mixed Use

Tigard Triangle TIF District

City of Tigard



- Approved by voters in May 2017
- 548 acres
- Maximum indebtedness: \$188 million (\$179M remaining)
- 35 year- district
- TIF for FY24-25: \$1.7 M

Goals of the Triangle Plan

1. Encourage meaningful involvement to ensure that the district reflects the community's values and priorities.
2. Provide a safe and effective multimodal transportation network that supports mixed-use and pedestrian-oriented development.
3. Provide public utility improvements to support desired development.
4. Create a clear identity for the area as a fun and diverse place to live, work, shop, eat, and play by building upon existing unique and desirable features.
5. Provide financial and technical assistance to new and existing businesses and housing developments that contribute to the area's diversity and vitality.

Triangle TIF Plan Project Categories

Transportation

Public Utilities

Public Spaces,
Facilities, and
Installations

Re/Development
Assistance and
Partnerships

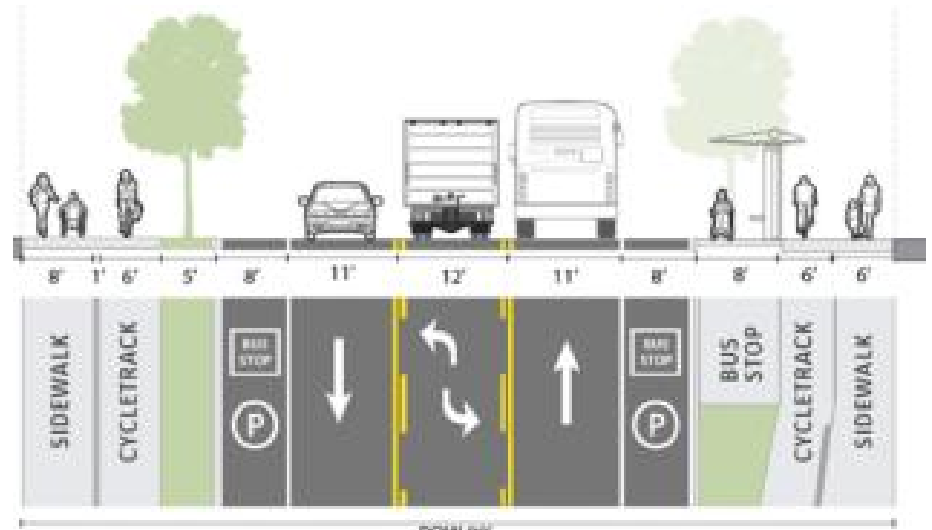
Project
Administration

A New Tigard Triangle: Planning for Equitable Development

- Metro grant
- 8-month public engagement
- Equitable Development Strategy, Finance Plan, preliminary design of top-ranked projects
- Adopted by the TCDA Board



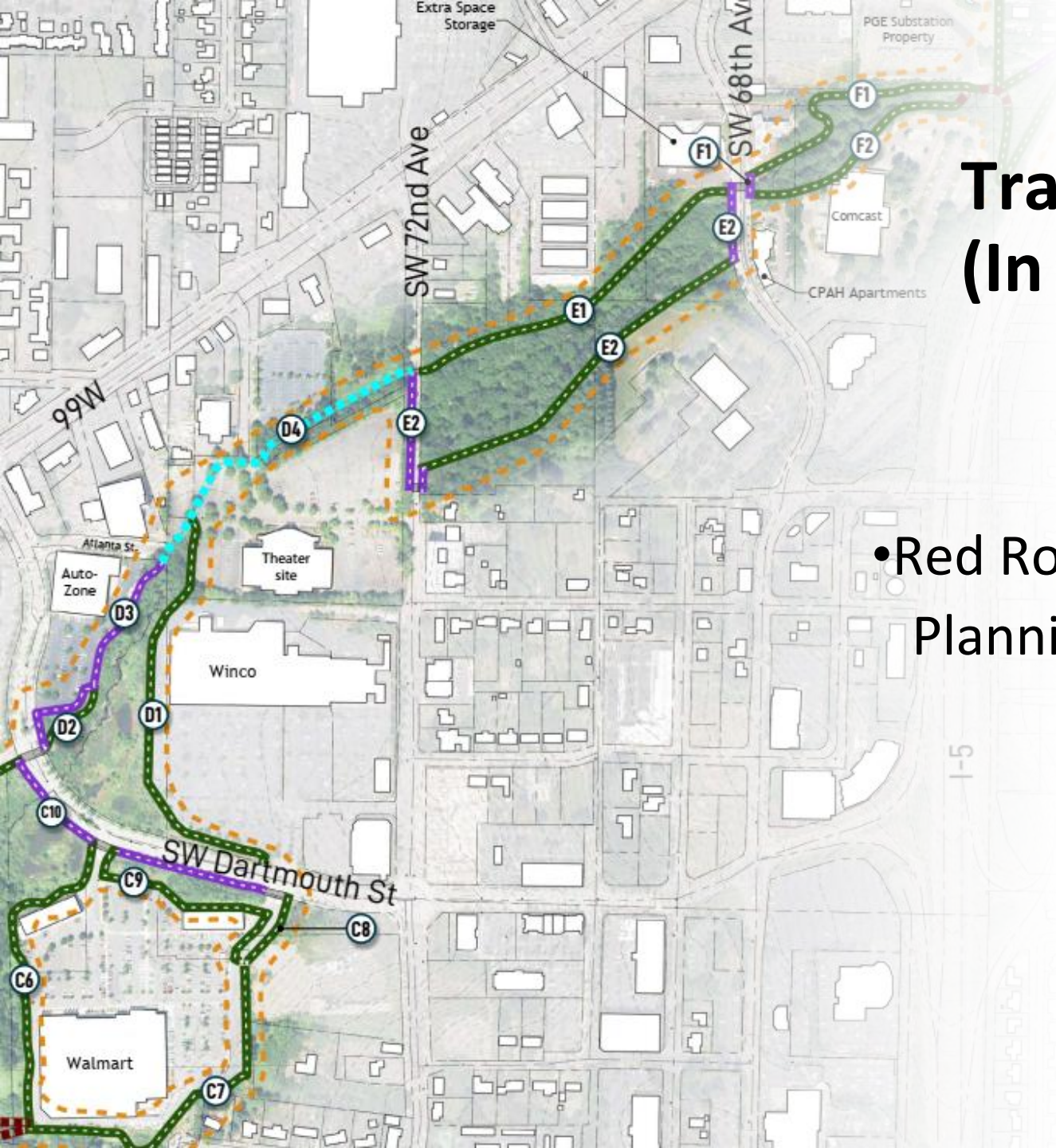
Transportation (In Progress)



72nd Ave Improvement Design

Transportation (In Progress)

- Red Rock Creek Trail Planning



Affordable Housing Investments (Completed)



- Red Rock Creek Commons

Affordable Housing Investments (Completed)



Family Promise A Bridge to Home

Affordable Housing Investments (In Progress)



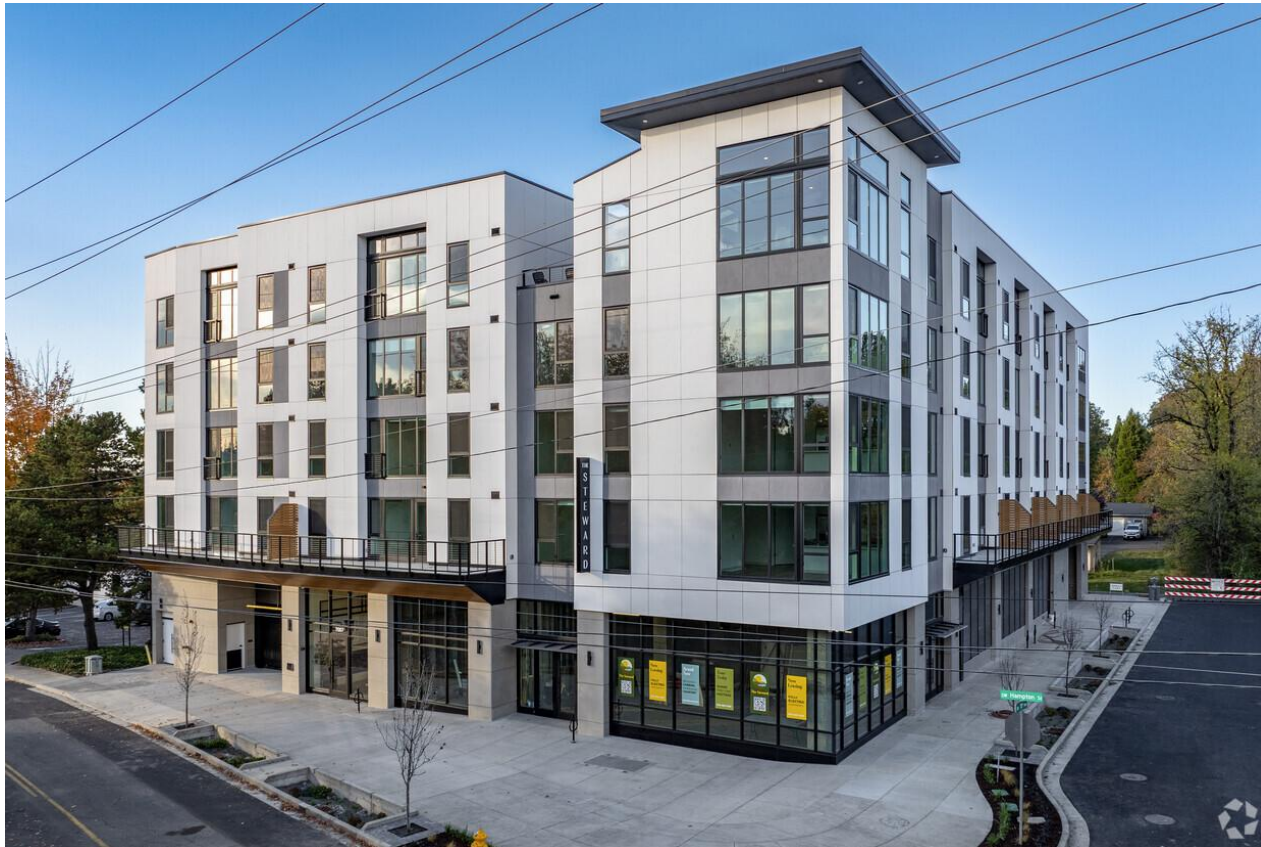
- REACH Dartmouth Crossing North
- Includes pocket park

Mixed Use Development Assistance (Completed)



The Overland

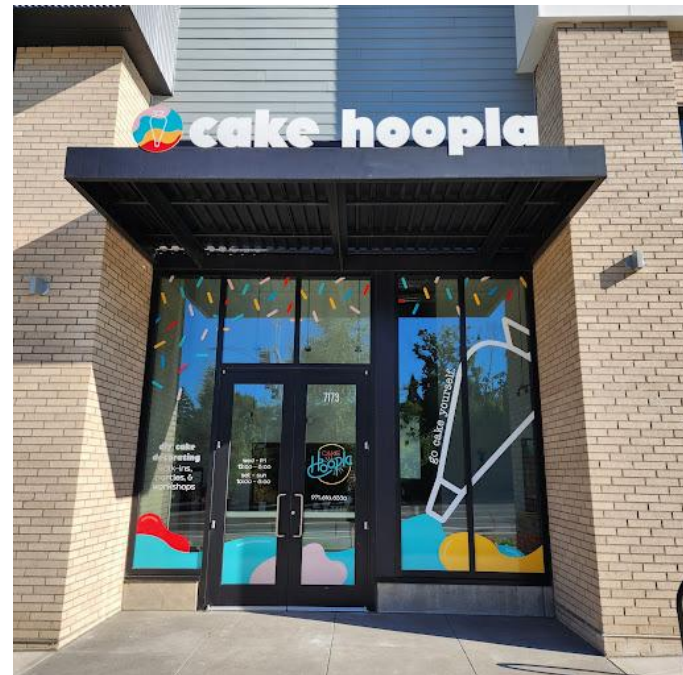
Mixed Use Development Assistance (Completed)



The Steward

Triangle Opportunity Fund

- Started in 2022
- Matching grants to 7 businesses



Questions?

