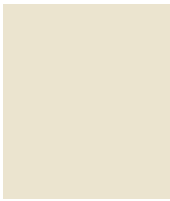




FY 2023–2024



Top L to R: Ava, Alongside Senior Housing • Bottom L to R: Main Street Green Street, the Steward

Town Center Development Agency of the City of Tigard
TIF District/Urban Renewal

FINANCIAL IMPACT REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Tax Increment Financing (TIF) Districts



Universal Plaza

ORS 457.460 requires the urban renewal agency to file an annual statement on financial proceedings. In Tigard, the term “urban renewal” is synonymous with tax increment financing or TIF.

What Does Tax Increment Financing Do?

Tax increment financing uses property taxes from within an area to fix identified problems in that same area. It often focuses on improving an area’s transportation and utility infrastructure since these kinds of improvements can unlock an area’s development potential. Tax increment financing can also be used to attract and retain small businesses, support affordable housing, and develop public spaces such as parks, plazas, and trails.

Urban Renewal (Overview)

How Does Tax Increment Financing Work?

When a Tax Increment Financing (TIF) District is established, the County Assessor determines the current assessed value of all property within the area and freezes that tax base. Tax revenue from this “frozen base” continues to go to taxing districts annually for the life of the TIF District. Tax revenue on any increase in property value that would occur anyway – from new development and/or appreciation – is allocated to the TIF District Agency for projects in the district. This increase above the frozen base is called the “increment.” When the TIF District expires, the frozen base also expires, and the local taxing districts resume receiving taxes on the full assessed value of the properties.

How are decisions made about tax increment financing?

The Town Center Development Agency (TCDA) is the City of Tigard’s TIF District Agency and is responsible for administering the City Center and Tigard Triangle plans. The Board of the Town Center Development Agency are the decision makers of the agency. The membership of the Board is made up of the Tigard City Council. The Town Center Advisory Commission (TCAC) makes recommendations to the board on policy, budget, and implementation of tax increment financing projects.



Dartmouth Crossing North (concept drawing)

What Are the Benefits of TIF Districts for Tigard?

- **Improves Tigard’s Long-Term Financial Health**
By bringing in new businesses and development, urban renewal increases Tigard’s tax base over time which, in turn, helps fund future city services for all of Tigard residents.
- **Provides a Stable Funding Source**
By creating a stable, long-term funding source (without creating a new tax), the city can build or fix infrastructure that it may otherwise delay, or never be able to afford.
- **Steers Investment Toward an Area Ready for Change**
By focusing on areas already zoned for mixed-use commercial and residential density, TIF steers investments toward parts of Tigard that are the most ready for change.
- **Furtheres Tigard’s Walkability Goal**
TIF can help further the city’s goal of becoming a more walkable, interconnected and healthy community by transforming auto-oriented districts with no or limited sidewalks into pedestrian-friendly areas with a diverse mix of destinations and activities.
- **Supports Travel by Alternate Modes**
By fostering the creation of a complete community – one which has jobs, housing, services, and transit – TIF can make travel by alternate modes (travel by foot, bike, or transit) feasible.

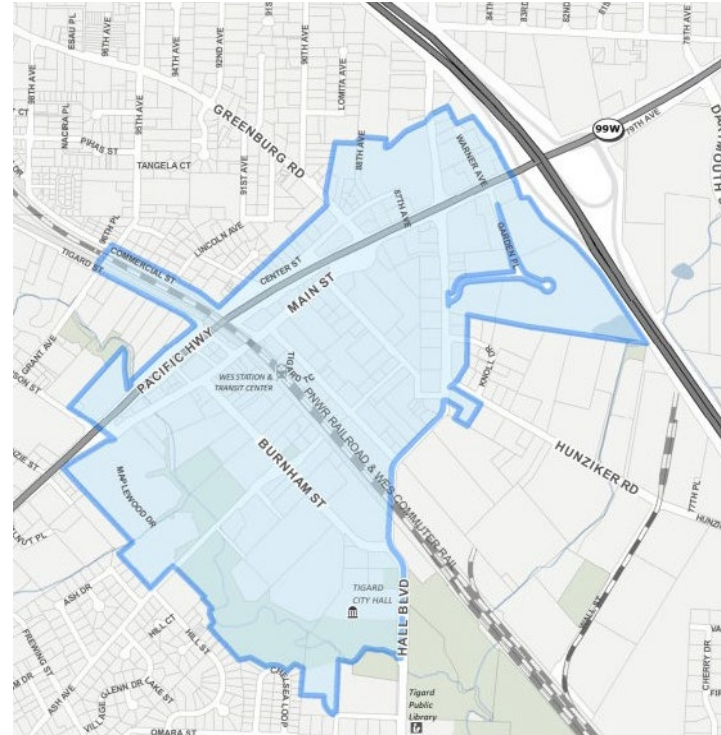
City Center Urban Renewal Plan



Tigard has two urban renewal districts:

1. City Center (Downtown) Urban Renewal District
2. Tigard Triangle Urban Renewal District

Tax increment financing expenditures in both districts are guided by their respective urban renewal plans. These urban renewal plans are administered by the Town Center Development Agency, which was established by the Tigard City Council as the City's Urban Renewal Agency.



The City Center Urban Renewal Area boundary is shown in blue.

Approved by Voters: 2006
Substantial Amendments Approved by Voters: 2017 and 2021

Size: 228.96 acres

Amended Duration: 29 years

Amended Maximum Indebtedness: \$42.8 Million

Remaining Maximum Indebtedness: \$30,297,020 (2023)

The purpose of the City Center Urban Renewal Plan is to use the tools provided by TIF to attract private investment and facilitate the area's revitalization. In 2021 Tigard voters approved a substantial amendment to the plan extending the duration and adding \$20.8 million in maximum indebtedness (the amount to fund projects and programs.)

City Center Urban Renewal Plan

The City Center (Downtown) Urban Renewal Plan has 5 Distinct Goals:

Goal 1

Revitalization of the Downtown should recognize the value of natural resources as amenities and as contributing to the special sense of place.



Goal 2

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



Goal 3

Downtown's transportation system should be multi-modal, connecting people, places and activities safely and conveniently.



Goal 4

Downtown's streetscape and public spaces should be pedestrian-friendly and not visually dominated by the automobile.



Goal 5

Promote high-quality development of retail, office and residential uses that support and are supported by public streetscape, transportation, recreation and open space investments.



City Center Urban Renewal Plan: Accomplishments to Date

68% increase in assessed value in the City Center TIF District between 2006 – 2019, compared to a 29% increase in assessed value citywide.

Data Source: Washington County

292 new units of multifamily housing units constructed or under construction in downtown Tigard since the TIF district was established in 2006.

Data Source: Metro

31 downtown businesses have received TIF matching grants for interior or exterior building improvements.

Data Source: City of Tigard

2.7:1 leverage ratio of private to public investment into TIF tenant and storefront improvements, meaning every \$1 in grant funding has yielded \$2.60 in private investment.

Data Source: City of Tigard

AVA Main Street at Fanno Creek Development

The TCDA purchased this key site where Main Street meets Fanno Creek and then used \$400,000 in grant funding from the U.S. EPA Brownfield Cleanup Program for remediation and preparing the site for development. The property was sold to a developer, who built a mixed-use building with 22 apartments and commercial ground floor that brings added vitality to Downtown.



Alongside Affordable Senior Housing

The city entered into a development agreement and 99-year ground lease with Northwest Housing Alternatives, a non-profit affordable housing developer to build 58 units adjacent to the Tigard Senior Center. The units are leased to seniors 62 and older, including units reserved for very low income (less than \$16,000 per year). Additionally, the project prioritizes housing for veterans and seniors with disabilities. The building was completed in 2023.

City Center Urban Renewal Plan: Accomplishments to Date

Project Spotlight

Attwell off Main

Completed in 2017, Attwell off Main brought over 300 residents to downtown Tigard. Attracting new residents to downtown is a goal of the TIF district and the City's strategic plan.

Attwell off Main would not have occurred without TIF. In 2015, the Tigard City Center Development Agency (TCDA, Tigard's TIF agency) signed a developer agreement with Capstone Greenlight and DIG Tigard. Through the agreement, the developer team purchased the TCDA-owned development site for its appraised value and the TCDA invested the \$1.65 million purchase price into partially offsetting the nearly \$2.8 million in system development charges incurred by the project's construction.

This public investment resulted in private investment of over \$30 million into the mixed-use project.



Take a walk down Tigard's Main Street and it may be difficult to remember how it looked just a few years ago. Restored and improved storefronts, new landscaping, LED streetlights and unique public artwork are just a few of the amenities that invite people downtown to shop, dine, walk the dog, or meet up with family and friends. TIF has played a pivotal role in downtown Tigard's transformation. The next few pages provide a snapshot of how TIF has helped reshape downtown Tigard.



City Center Urban Renewal Plan: Accomplishments to Date



Heritage Trail & Outdoor Museum



Jim Griffith Memorial Skate Park



Ash Ave. Dog Park



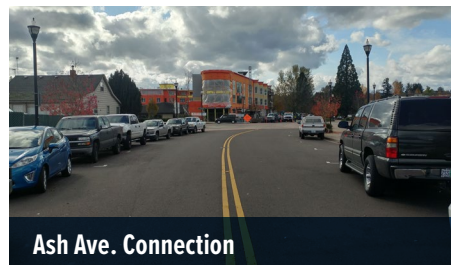
Downtown Public Art



Facade & Interior Improvement Grants



Streetscape Improvements



Ash Ave. Connection



Burnham St. Parking Lot



Fanno Creek Trail Undercrossing Lights

City Center Urban Renewal Plan: Accomplishments to Date

Universal Plaza

The Universal Plaza opened in Spring 2023. The signature public space on Burnham Street adjacent to Fanno Creek Park is a hub of activity in the downtown, hosting the farmers market and community events.



City Center Building Improvement Program

The City Center Building Improvement Program provides matching grants for existing businesses and property owners in the City Center TIF District to make improvements to the exterior of their building. The program also funds interior improvements for restaurants or similar businesses that move into vacant commercial spaces. This program has previously supported renovations to projects at Senet Game Bar, Tigard Taphouse, Symposium Coffee, LiveEdge Eco Salon, Jeffrey Allen Gallery, and many others. Grant-funded projects have strengthened participating businesses and improved Main Street's position as a walkable commercial district.



Main & Burnham Street Improvements

The TIF Agency has helped pave the way for improvements to two of downtown Tigard's most prominent streets.

Completed in 2011, the reconstruction of Burnham Street closed sidewalk gaps and added 10-18 foot sidewalks to encourage strolling, safer pedestrian crosswalks, LED streetlights, underground utilities, on-street parking, a center turn lane, and built a new section of Ash Avenue.

Completed in 2014, phase 1 of Tigard's Main Street Green Street project rebuilt the southern half of Main Street, from Pacific Highway/99W to the railroad crossing near Commercial Street. Funded largely by a Metro grant, the project provided safer pedestrian crossings, green streetscape planters that help remove pollutants from storm water, new sidewalks, streetlights, benches and bike racks. Main Street Green Street Phase 2 was completed in 2024.



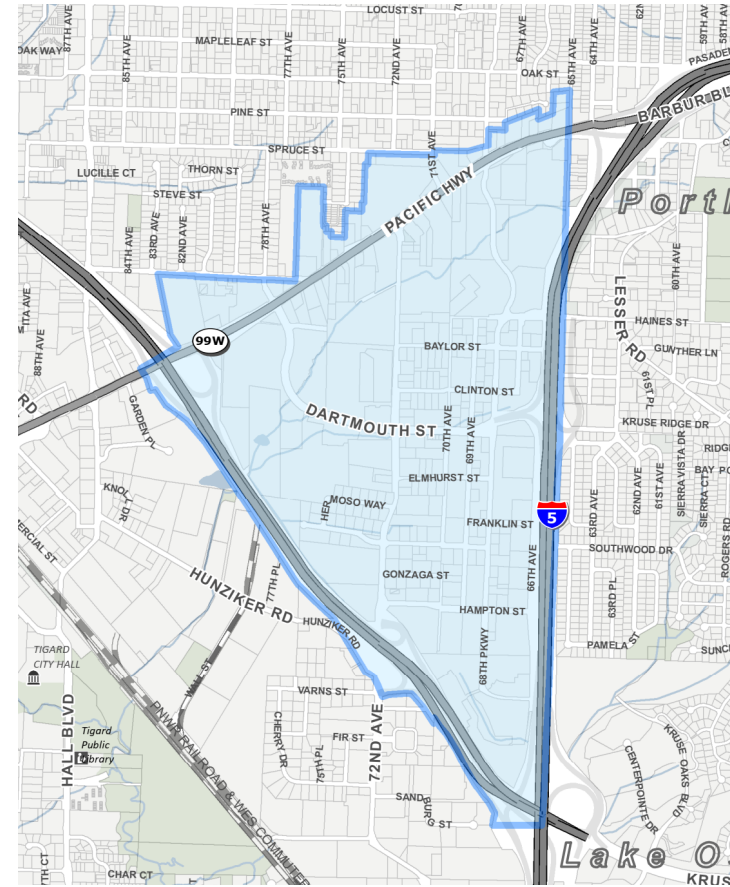
Tigard Triangle Urban Renewal Plan



The Tigard Triangle Urban Renewal Plan:

Existing Problems:

- *Dirt roads/
lack of sidewalks/
incomplete streets*
- *Areas with no sewers/
sewers needing repair*
- *Red Rock Creek erosion*
- *Flooding*
- *Traffic congestion*



Tigard Triangle Urban Renewal Area Map

Approved by Voters: 2017

Area Size: 548 acres

Plan Duration: 35 years

Maximum Indebtedness: \$188 million

Remaining Maximum Indebtedness: \$179,119,431 (2023)

The Tigard Triangle (roughly the area bordered by I-5, Highway 217 and Highway 99W) is an area with great potential but also has significant infrastructure needs. Approved by Tigard voters in 2017, the Tigard Triangle Urban Renewal Plan includes projects that will improve walkability, address transportation issues, and help businesses grow.

Tigard Triangle Urban Renewal Plan

The Tigard Triangle Urban Renewal Plan's 5 goals outline its basic intents and purposes:

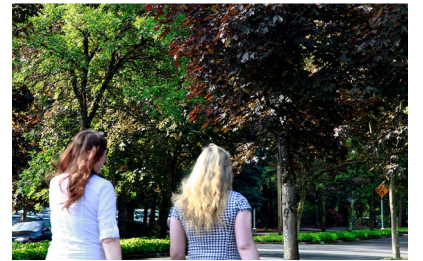
Goal 1

Encourage meaningful involvement by citizens, interested parties, and affected agencies throughout the life of the urban renewal district to ensure it reflects the community's values and priorities.



Goal 2

Provide a safe and effective multimodal transportation network that provides access to, from, and within the Area and supports mixed-use and pedestrian-oriented development.



Goal 3

Provide public utility improvements to support desired development.



Goal 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.



Goal 5

Provide financial and technical assistance to new and existing businesses and housing developments that contribute to the Area's diversity and vitality and help it transform into a mixed-use and pedestrian-oriented district.



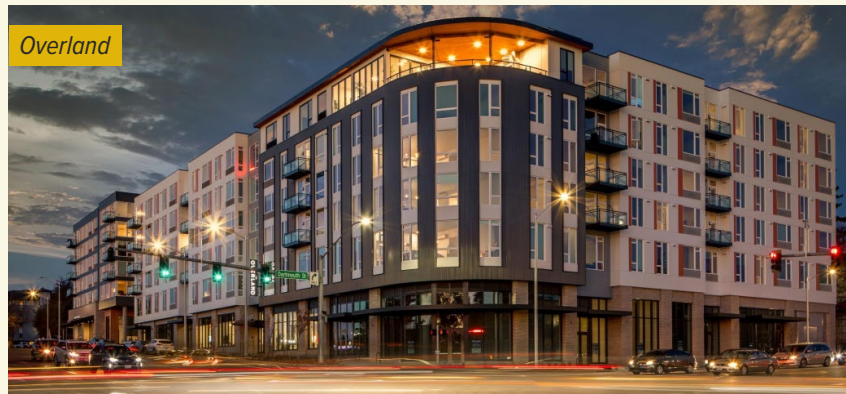
Tigard Triangle Urban Renewal Plan

Current Projects

Re/Development Assistance

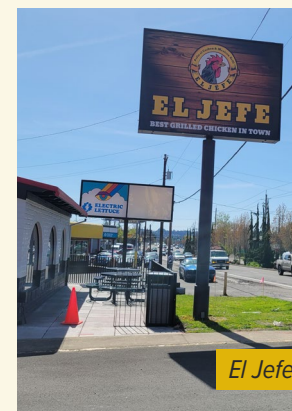
The TCDA has created a robust Re/Development Assistance program to support both affordable housing and market rate mixed use projects.

The completed projects that the program helped incentivize include the Overland (212 apartments and ground floor retail, completed in 2022.) Red Rock Creek Commons (48 affordable apartments, completed 2020) and the Steward (Path to Net Zero building with 55 units and commercial ground floor, completed 2024.)



Opportunity Grants

The Triangle Business Opportunity Fund supports entrepreneurs by providing matching grants for construction costs associated with building renovations. Grants provide a 50% funding match to help fund the cost of interior or exterior renovations for businesses moving into vacant ground floor commercial spaces in the Tigard Triangle.



Tigard Triangle Urban Renewal Plan

Proposed Projects

- **New Streets & Sidewalks**
- **New Trails & Parks**
- **Major Sewer Line**
- **Red Rock Creek**
- **Stormwater**
- **Intersection Improvements**
- **Facade Improvement**
- **Grants/Loans**
- **Small Business Support**



Accomplishments to Date

739 Apartment Units

built or under construction in the Tigard Triangle since the TIF District was established in 2017.

615% Increase in Apartment Units

built or under construction in the Tigard Triangle since 2017.

215 Units

of affordable housing units built in the Tigard Triangle since 2017.

Financial Reports

Introduction

URBAN RENEWAL AGENCIES must prepare an annual financial report for the governing body and public in accordance with Oregon Revised Statutes 457.460. The report includes a financial summary of the preceding year and the budget for the new fiscal year. It also includes an analysis of the financial impact of carrying out the urban plan on the tax collections for all taxing districts.

History of Tax Increment Financing

In less than two decades, three ballot measures – Measure 5 (1990), and Measure 50 (1997) – have made significant changes to Oregon’s system of property taxation. Those changes have influenced urban renewal programs and tax increment revenue calculations. The provisions of these changes to the property tax system, Ballot Measures 5 and 50, now are incorporated into Oregon’s Constitution, and into Oregon Urban Renewal Statutes. Those provisions provide the basic framework for revenue calculations in this report.

Tax Increment Calculations

To determine the amount of the taxes levied, the total assessed value within each urban renewal area is segregated by the county assessor into two parts: (a) the total taxable assessed value in the district at the time the Urban Renewal Plan was adopted (the base or “frozen” value); and (b) the difference between the frozen base value and the current total assessed value (the incremental value or “excess”). Revenues derived from the application of the tax rate for each affected taxing district to the amount of the incremental value may be collected by the urban renewal agency and deposited in its debt service fund. This revenue is used to repay indebtedness incurred in carrying out the projects.

Effect of Urban Renewal on Taxing Districts

Carrying out an urban renewal plan has an effect on the county assessor’s calculation for each taxing district that shares values with Tigard’s urban renewal agency. Some property taxes that may have been received by the taxing bodies that levy property taxes within Tigard’s urban renewal area are being paid to Tigard’s urban renewal agency.

Passage of Ballot Measure 50 (Article XI, Section 11 of the Oregon Constitution) resulted in converting most property taxes from a levy-based system to a rate-based system. Pages 18 and 19 of this report shows the financial impact by taxing district for Tigard’s urban renewal agency.

Financial Reports

The financial reports on pages 18–22 account for the activities of Tigard’s urban renewal agency. In accordance with ORS 457.460, these reports were prepared by the Finance Department of the City of Tigard and consultant Tiberius Solutions using the same basis of accounting it uses to prepare its financial statements — modified accrual basis of accounting. These reports are due annually by January 31, information and figures contained herein are based upon audited draft financial statements. At the end of each fiscal year, June 30, this financial impact report is prepared which shows the urban renewal tax impact by taxing district. Copies are available by January 31 at the Tigard Permit Center, 13125 SW Hall Blvd., Tigard, 97223 and on the City of Tigard website.

Maximum Indebtedness Tracking

City Center

Total Debt	\$12,502,980
Maximum Indebtedness Remaining	\$30,297,020

Tigard Triangle

Total Debt	\$8,880,569
Maximum Indebtedness Remaining	\$179,119,431



Town Center Development Agency

Statement of Resources & Requirements for the fiscal year ended June 30, 2024.

	City Center Debt Service Funds		Triangle Debt Service Funds		City Center Capital Projects Funds		Triangle Capital Projects Funds		Total	
	Actual 2023-24	Budget 2024-25	Actual 2023-24	Budget 2024-25	Actual 2023-24	Budget 2024-25	Actual 2023-24	Budget 2024-25	Actual 2023-24	Budget 2024-25
Resources										
Beginning Fund Balance	1,981,304	1,614,725	2,098,423	3,203,539	141,380	143,741	6,727,612	6,547,543	10,948,719	11,509,548
Tax Increment Property Taxes	929,133	944,812	1,650,015	1,738,619	-	-	-	-	2,579,148	2,683,431
Interest Income	91,134	2,265	108,973	7,334	1,851	450	48,932	-	250,890	10,049
Net Increase (decrease) in Investment Fair Value	18,772	-	23,814	-	510	-	7,701	-	50,797	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-	-	-
Other Financing Sources	-	-	-	-	802,122	1,150,785	-	1,600,000	802,122	2,750,785
Total Resources	3,020,343	2,561,802	3,881,225	4,949,492	945,863	1,294,976	6,784,245	8,147,543	14,631,676	16,953,813
Requirements										
Debt Service	603,496	679,000	677,686	746,000	-	-	-	-	1,281,182	1,425,000
Transfers Out	802,122	1,150,785	-	1,600,000	-	-	-	2,900,000	802,122	5,650,785
Community Development	-	-	-	-	426,148	903,785	236,703	4,144,674	662,851	5,048,459
Capital Outlay	-	-	-	-	375,974	247,000	-	1,000,000	375,974	1,247,000
Ending Fund Balance	1,614,725	732,017	3,203,539	2,603,492	143,741	144,191	6,547,542	102,869	11,509,547	3,582,569
Total Requirements	3,020,343	2,561,802	3,881,225	4,949,492	945,863	1,294,976	6,784,245	8,147,543	14,631,676	16,953,813

Note: Figures are based upon audited financial statements.

As summarized below, Town Center Development Agency’s 2023-24 total requirements were \$14,631,676 for expenditures charged to the District as of June 30, 2024. For fiscal year 2024-25, total budgeted resources of \$16,953,813 were balanced with requirements of \$16,953,813, including a financing agreement to fund future urban renewal projects.

The District uses the funds it receives from the division-of-taxes method of calculating property taxes to finance various urban renewal projects and activities. These property taxes totaled \$2,579,148 in FY 2023-24 and are expected to increase in FY 2024-25. These tax estimates are calculated based on the Washington County assessment summary received after budget adoption.

Town Center Development Agency City Center Urban Renewal Plan

Financial Impact of the City Center Urban Renewal Plan on Tax Collections by Taxing District for the fiscal year ended June 30, 2024.

Assessed Value of URA (FYE 2024)

	Total	Frozen Base	Incremental Value	Permanent Tax Rate	Taxes Imposed for URA	Taxes Imposed For Affected Districts	Percent Tax Revenue Foregone
General Government							
Washington County	\$197,558,984	\$117,522,911	\$80,036,073	\$2.248	\$179,674	\$179,661,800	0.10%
Tualatin Soil & Water District	\$197,558,984	\$117,522,911	\$80,036,073	\$0.074	\$5,823	\$5,861,302	0.10%
Metro	\$197,558,984	\$117,522,911	\$80,036,073	\$0.097	\$7,473	\$20,466,946	0.04%
Port of Portland	\$197,558,984	\$117,522,911	\$80,036,073	\$0.070	\$4,991	\$16,463,316	0.03%
TV Fire & Rescue	\$197,558,984	\$117,522,911	\$80,036,073	\$1.525	\$121,422	\$114,384,963	0.11%
City of Tigard	\$197,558,984	\$117,522,911	\$80,036,073	\$2.513	\$200,469	\$20,347,214	0.98%
Tigard/Tualatin Aquatic District	\$197,558,984	\$117,522,911	\$80,036,073	\$0.090	\$6,932	\$1,240,601	0.56%
Education							
Tigard/Tualatin School District	\$197,558,984	\$117,522,911	\$80,036,073	\$4.989	\$399,306	\$68,316,331	0.58%
NW Regional ESD	\$197,558,984	\$117,522,911	\$80,036,073	\$0.154	\$11,646	\$15,482,112	0.08%
PCC	\$197,558,984	\$117,522,911	\$80,036,073	\$0.283	\$22,459	\$47,228,827	0.05%
Total				\$12.043	\$960,195	\$489,453,412	0.20%

Sources: FY 2023-24 SAL Table 4e (Washington County); FY 2023-24 SAL Table 4a (Washington, Multnomah, Clackamas, Clatsop, Tillamook, and Yamhill counties)

Note: Taxes imposed have been adjusted to account for Measure 5 compression loss and rate truncation.

Town Center Development Agency Tigard Triangle Urban Renewal Plan

Financial Impact of the Tigard Triangle Urban Renewal Plan on Tax Collections by Taxing District for the fiscal year ended June 30, 2024.

Assessed Value of URA (FYE 2024)

	Total	Frozen Base	Incremental Value	Permanent Tax Rate	Taxes Imposed for URA	Taxes Imposed For Affected Districts	Percent Tax Revenue Foregone
General Government							
Washington County	\$566,784,151	\$424,744,405	\$142,039,746	\$2.248	\$318,588	\$179,661,800	0.18%
Tualatin Soil & Water District	\$566,784,151	\$424,744,405	\$142,039,746	\$0.074	\$9,982	\$5,861,302	0.17%
Metro	\$566,784,151	\$424,744,405	\$142,039,746	\$0.097	\$13,286	\$20,466,946	0.06%
Port of Portland	\$566,784,151	\$424,744,405	\$142,039,746	\$0.070	\$9,150	\$16,463,316	0.06%
TV Fire & Rescue	\$566,784,151	\$424,744,405	\$142,039,746	\$1.525	\$216,231	\$114,384,963	0.19%
City of Tigard	\$566,784,151	\$424,744,405	\$142,039,746	\$2.513	\$356,852	\$20,347,214	1.72%
Tigard/Tualatin Aquatic District	\$566,784,151	\$424,744,405	\$142,039,746	\$0.090	\$12,478	\$1,240,601	1.00%
Education							
Tigard/Tualatin School District	\$566,784,151	\$424,744,405	\$142,039,746	\$4.989	\$708,491	\$68,316,331	1.03%
NW Regional ESD	\$566,784,151	\$424,744,405	\$142,039,746	\$0.154	\$21,627	\$15,482,112	0.14%
PCC	\$566,784,151	\$424,744,405	\$142,039,746	\$0.283	\$39,927	\$47,228,827	0.08%
Total				\$12.043	\$1,706,613	\$489,453,412	0.35%

Sources: FY 2023-24 SAL Table 4e (Washington County); FY 2023-24 SAL Table 4a (Washington, Multnomah, Clackamas, Clatsop, Tillamook, and Yamhill counties)

Note: Taxes imposed have been adjusted to account for Measure 5 compression loss and rate truncation.

Town Center Development Agency

Detail of Purpose for the fiscal year ended June 30, 2024

City Center Urban Renewal Projects

Detail of Purpose:	City Center	
	Capital Projects Fund	
	Actual	Budget
Capital Outlay:	2023-24	2025-25
Nick Wilson Memorial Plaza	122,481	200,000
Universal Plaza	253,493	-
Building Improvement Grants	11,661	200,000
Development Assistance	211,393	230,000
Admin/Legal/Finance	203,094	309,185
	802,122	939,185

Tigard Triangle Urban Renewal Projects

	Tigard Triangle	
	Capital Projects Fund	
	Actual	Budget
	2023-24	2025-25
Park Land Acquisition		2,900,000
Transportation Infrastructure		1,000,000
Affordable Housing Development Assistance		1,500,000
Development Assistance		1,650,000
Business Opportunity Grants	50,000	200,000
Admin/Legal/Finance	186,703	229,674
	236,703	7,479,674

Note: Figures are based upon audited financial statements.



Town Center Development Agency of the City of Tigard

TIF District/Urban Renewal

Financial Impact Report

FOR THE FISCAL YEAR ENDED JUNE 30, 2024