



CITY OF OREGON CITY URBAN RENEWAL COMMISSION MINUTES

**Commission Chambers, 625 Center Street, Oregon City
Wednesday, August 19, 2020 at 6:00 PM**

The public is strongly encouraged to relay concerns and comments to the Commission in one of three ways:

- *Email at any time up to 12 p.m. the day of the meeting to recorderteam@orc.org.*
- *Phone call (Monday – Friday, 8 am – 5 pm) to 503-496-1505, all messages will be relayed and/or citizens can sign-up to be called during the meeting to provide over-the-phone testimony.*
- *Mail to City of Oregon City, Attn: City Recorder, P.O. Box 3040, Oregon City, OR 97045.*

CALL TO ORDER

Commission Chair Frank O'Donnell called the meeting to order at 6:05 PM.

ROLL CALL

PRESENT: 6 - Chair Frank O'Donnell, Commissioner Dan Holladay, Commissioner Denyse McGriff, Commissioner Rocky Smith, Commissioner Rachel Lyles Smith and Commissioner Shawn Cross

STAFFERS: 5 - City Manager Tony Konkol, City Recorder Kattie Riggs, Finance Director Wyatt Parno, Economic Development Manager James Graham and Public Works Director John Lewis.

CITIZEN COMMENTS

There were no citizen comments.

DISCUSSION ITEM

1. Financial Update and Discussion Regarding Accumulated Reserves

Tony Konkol, City Manager, introduced the topic mentioning that this had been a request from the Commission to bring forward since the last Urban Renewal Commission meeting.

Wyatt Parno, Finance Director, provided a presentation on the Urban Renewal financial status and accumulated reserves. He began with background regarding Urban Renewal and the laws that regulate Urban Renewal, how it is funded, and debt. He provided an overview of the current Urban Renewal Plan, best practices, the 2015 initiative measure and court decision.

The economic impact of COVID-19 has resulted in a significant decline in investment earnings on the Urban Renewal Agency's \$6.4 million in accumulated reserves. As a result, the Urban Renewal Commission requested information on the Agency's financial status to consider

updating policy direction on use of the reserves. The Agency's reserves could be used to prepay debt commitments, which have scheduled payoff dates in 2023, including one large balloon payment. Prepayment of the debt would save approximately \$500,000 over the three years. Alternatively, the Commission could appropriate the reserves in anticipation of projects that would create tax increment value beyond the interest savings or provide a valuable public benefit.

There are three options, which include: 1) use reserves to prepay outstanding debt for interest savings, 2) appropriate reserves for an upcoming project, and 3) continue to hold the reserves in unappropriated status. Absent an identified near-term project, the Finance Department recommends using reserves to prepay outstanding debt for interest savings.

Mayor Holladay asked if there was a pre-payment penalty and Director Parno indicated there was not.

Commissioner McGriff asked for detail on the balloon payment. Director Parno explained the concept of the balloon payment and timing involved.

Mayor Holladay asked about the maximum term if borrowing funds between agencies. Director Parno explained there is a ten-year term to repay.

Commissioner Cross asked about when the TIF (Tax Increment Financing) revenue comes in. Director Parno explained it comes in November.

Commissioner Cross asked if there are any potential projects, and if so, would it be better to hang onto the reserves. Mayor Holladay responded that he felt there was adequate funds if a project did come up.

Commissioner O'Donnell commented that he felt paying off the debt was a smart housekeeping move.

Commissioner McGriff expressed concerns about the timing of paying off the debt.

James Graham, Economic Development Manager, commented that Urban Renewal should not be guided by projects alone, but there be a vision for what they want to achieve.

A motion was made by Commissioner Holladay, seconded by Commissioner O'Donnell, to pay off the debt with the accumulated reserves. The motion carried with the following vote:

Aye: 6 – Chair O'Donnell, Commissioners Holladay, McGriff, Smith, Lyle Smith, and Cross

COMMUNICATIONS

There were no communications.

ADJOURNMENT

Chair O'Donnell adjourned the meeting at 7:04 PM.

Respectfully submitted,

Kattie Riggs, City Recorder