



CITY OF OREGON CITY

URBAN RENEWAL COMMISSION

MINUTES

Commission Chambers, 625 Center Street, Oregon City
Wednesday, August 05, 2020 at 6:15 PM

URBAN RENEWAL COMMISSION EXECUTIVE SESSION: To immediately follow the regular meeting of the Urban Renewal Commission.

Pursuant to ORS 192.660(2)(e): To conduct deliberations with persons designated by the governing body to negotiate real property transactions.

1. CALL TO ORDER

Chair Frank O'Donnell called the meeting to order at 6:30 PM.

2. ROLL CALL

PRESENT - 6

Chair Frank O'Donnell
Commissioner Dan Holladay
Commissioner Denyse McGriff
Commissioner Rocky Smith, Jr.
Commissioner Rachel Lyles Smith
Commissioner Shawn Cross

STAFFERS - 5

City Manager Tony Konkol
City Recorder Kattie Riggs
Finance Director Wyatt Parno
Economic Development Manager James Graham
Public Works Director John Lewis

3. CITIZEN COMMENTS

There were no citizen comments on non-agenda items.

4. GENERAL BUSINESS

4a. Personal Services Agreement with the Leland Consulting Group

Tony Konkol, City Manager, provided the staff report and explained this had originally come before the Urban Renewal Commission right as COVID-19 had hit back in March 2020 and the Commission decided to postpone the contract at that time. This is a contract with Leland Consulting Group to provide assistance in facilitating a public process that provides an opportunity for the community to learn about Urban Renewal, provide input about the program and explores whether the Urban Renewal District should or should not be used as a

development strategy moving forward. There was an issue with the personal services agreement attached to the agenda packet. The City of Oregon City has been replaced with the Urban Renewal Commission through-out the document. The agreement is between Leland Consulting Group and the Urban Renewal Commission, not the City of Oregon City. The agreement has been updated.

James Graham, Economic Development Manager, reassured the Commission that even though there is a Pandemic the Phase I programming of meetings with the public and Commission can still take place virtually. Phase I would end with a summary of public engagement outcomes of a preliminary project list, cost estimates, and a decision of whether to proceed with Phase II of the agreement. If approved, the contract would begin August 6, 2020 and end March 31, 2021.

Commissioner Rocky Smith asked if the contract was budgeted in the Urban Renewal budget and the City budget. Mr. Konkol confirmed it was only budgeted in the Urban Renewal budget. Commissioner Smith agrees that a process was needed, but the voters said not to spend any more money on Urban Renewal. He understands the process cost money and is needed to move forward but does not think it should be paid for from the Urban Renewal budget.

Commissioner Dan Holladay stated the courts have said that the vote, that took place, can't be upheld within the City's Charter. He explained that Urban Renewal is an important tool to use and feels at least this time the money be spent to find out what the public really thinks. Commissioner Holladay believes the voters were lied to and misled during the election process.

Commissioner Denyse McGriff supported what Commissioner Smith said and supports this process. She feels very strongly about moving forward with this process. She asked the City Manager, in keeping with the spirit of the ballot measure, if the City could loan the Urban Renewal Agency the money on a temporary basis, so not to run afoul of anyone saying the Agency is spending money they are not authorized to spend.

Mr. Konkol explained that in the previous biennium's budget the City's General Fund paid the bills of the Urban Renewal Agency and in this current biennium the Urban Renewal budget paid back the City based on the Circuit Court's decision related to how money can be spent. Money is being spent from an adopted Urban Renewal budget right now and have been for the last year since it was adopted. The City is loaning money that the Urban Renewal District is responsible for paying back right now anyway.

Commissioner McGriff feels this is an important enough process that needs to happen and doesn't have concerns about justifying spending Urban Renewal money for the process to take place, she was just looking for a work around.

Commissioner Rachel Lyles Smith understood Commissioner Smith's comments and explained Urban Renewal had been a hot topic while campaigning. She believes there were a number of mis-steps by the Urban Renewal Agency, which lead to the result of the vote of the people. She also felt this had been coupled with an unclear understanding of Urban Renewal. Commissioner Lyles Smith believes in going through the process and likes that in the scope of work there is options at the end, one including the option to close the Urban Renewal District. She explained the Commission would be trying to do a comprehensive and transparent review of the Urban Renewal Agency and how Urban Renewal is used in the City. While at the same time, educating the Commission, the community, and discussing how Urban Renewal could potentially benefit the City. Commissioner Lyles Smith believed the Consultants had taken the Commission's

comments in March and incorporated them into the Scope of Work. She appreciated that and would have liked to see a more streamlined timeline showing the expected pieces.

Commissioner Shawn Cross would like to make sure the Commission doesn't have predetermined outcomes before the process starts and that whatever the end result of the process is, the Commission supports that and doesn't try to look at other options. That they support the processes and the results.

Chair Frank O'Donnell acknowledged the letter received from John Williams. He believes there are two vacancies on the Urban Renewal Commission and feels those positions should be filled before the process begins. He feels this process is an either or and disagrees with that. He believes this process should be both all encompassing, not an either or.

Doug Neeley, resident of Oregon City, explained that with the COVID-19 pandemic several businesses had shut-down and are trying to re-open. He felt the Urban Renewal Agency could provide low-interest or no-interest loans to those struggling businesses, so that the City doesn't lose them. The goal for the Downtown Urban Renewal District was to economically uplift it and it did, but with COVID-19 it's going the other way. He understands no new projects, but believes this would be something needed for the District.

Commissioner Holladay appreciated the idea from Mr. Neeley, but didn't agree with it because of fundamental fairness. There are businesses in the Urban Renewal District that could be supported with this type of program but others outside the District that couldn't be supported.

A motion was made by Commissioner Holladay, seconded by Commissioner McGriff, to approve the Personal Services Agreement with Leland Consulting Group. The motion carried with the following vote:

Aye: 4 - Commissioners Dan Holladay, Denyse McGriff, Rachel Lyles Smith, and Shawn Cross

Nay: 2 - Commissioner Rocky Smith, Jr. and Chair Frank O'Donnell

4b. Minutes of the March 18, 2020 Regular Meeting

4c. Minutes of the April 1, 2020 Regular Meeting

A motion was made by Commissioner McGriff, seconded by Commissioner Holladay, to approve the meeting minutes of March 18, 2020 and April 1, 2020. The motion carried with the following vote:

Aye: 6 - Commissioners Dan Holladay, Denyse McGriff, Rachel Lyles Smith, Shawn Cross, Rocky Smith, Jr., and Chair Frank O'Donnell

5. COMMUNICATIONS

Chair O'Donnell introduced a future agenda item regarding a financial report from Finance Director, Wyatt Parno, covering an analysis of the Urban Renewal Agency's financial situation,

debt structure, what the assets are earning, what the liabilities are costing in terms of interest, options for future funding of projects if the Commission agreed to pay-off all or part of the Agency's debt.

Mr. Konkol explained the background information regarding the discussion. Since the Agency had been respecting the ballot measure limitations of not spending any TIF (Tax Increment Financing) generated on any Urban Renewal projects, which means there is an accumulation of funds. Historically when interest rates were high, that was to the Agency's benefit. With interests' rates now being low, relative to the interest rates the Agency is paying on the debt is it time to discuss paying down part or all of the existing debt.

There was consensus from the Commission to add the item as a future agenda item.

6. ADJOURNMENT

Chair O'Donnell adjourned the meeting at 6:59 PM to reconvene in Executive Session.

Respectfully submitted,



Kattie Riggs, City Recorder