



CITY OF OREGON CITY

URBAN RENEWAL COMMISSION

AGENDA

Commission Chambers, Libke Public Safety Facility, 1234 Linn Ave, Oregon City
Wednesday, June 21, 2023 at 5:30 PM

EXECUTIVE SESSION OF THE OREGON CITY URBAN RENEWAL COMMISSION:

The Executive Session will begin at 5:30 PM and conclude prior to the 6:00 PM Oregon City Urban Renewal Commission meeting.

1. - Pursuant to ORS 192.660(2)(f): To consider information or records that are exempt by law from public inspection.

URBAN RENEWAL COMMISSION MEETING

Ways to participate in this public meeting:

- Attend in person, location listed above
- Register to provide electronic testimony (email recorderteam@orccity.org or call 503-496-1509 by 3:00 PM on the day of the meeting to register)
- Email recorderteam@orccity.org (deadline to submit written testimony via email is 3:00 PM on the day of the meeting)
- Mail to City of Oregon City, Attn: City Recorder, P.O. Box 3040, Oregon City, OR 97045

CALL TO ORDER

ROLL CALL

CITIZEN COMMENTS

1. Public Comment - Jerry Herrmann

DISCUSSION ITEM

2. Resolution No. UR 23-01, Adopting the Urban Renewal Budget, Making Appropriations and Declaring Tax Increment for the 2023-2025 Biennium
3. Request to Release the January 18, 2023 Urban Renewal Commission Executive Session Minutes
4. Discussion of the Urban Renewal District and Implementation of the Urban Renewal Plan

COMMUNICATIONS**ADJOURNMENT**

PUBLIC COMMENT GUIDELINES

Complete a Comment Card prior to the meeting and submit it to the City Recorder. When the Mayor/Chair calls your name, proceed to the speaker table, and state your name and city of residence into the microphone. Each speaker is given three (3) minutes to speak. To assist in tracking your speaking time, refer to the timer on the table.

As a general practice, the City Commission does not engage in discussion with those making comments.

Electronic presentations are permitted but shall be delivered to the City Recorder 48 hours in advance of the meeting.

ADA NOTICE

The location is ADA accessible. Hearing devices may be requested from the City Recorder prior to the meeting. Individuals requiring other assistance must make their request known 48 hours preceding the meeting by contacting the City Recorder's Office at 503-657-0891.

Agenda Posted at City Hall, Pioneer Community Center, Library, City Website.

Video Streaming & Broadcasts: The meeting is streamed live on the Oregon City's website at www.orcity.org and available on demand following the meeting. The meeting can be viewed on Willamette Falls Television channel 28 for Oregon City area residents as a rebroadcast. Please contact WPMC at 503-650-0275 for a programming schedule.

Jakob Wiley

From: Rivers of Life Center <riversoflifecenter@gmail.com>
Sent: Tuesday, June 20, 2023 4:37 PM
To: Jakob Wiley
Subject: As you're grappling with Urban Renewal

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Urban Renewal and City Commissioners:

The Mayor of West Linn and a friend of mine from West Linn were discussing their successful Urban Renewal Process for Waterfront redevelopment in West Linn. What we both heard was the effort that the city put in to build a vision for what could be expected through the redevelopment efforts. What we did not hear was whether they were even aware of the Portland Harbor Superfund Trust Program that is available to work with Urban Renewal or without it to underpin projects that build ecology and economic benefits.

I, Jerry Herrmann, was the one who pushed hard for mitigation experts to move into Clackamette Cove and solve that area's water quality problems. You Commissioners supported that idea in 2019, though it was first aired to your City Manager in 2016. The Cove developer of that time worked that whole concept into his development ideas because it made sense to involve the ecology and economic development aspects of the Cove. The highly regarded mitigation company, who hoped to work in the Cove, is gone. I doubt they're coming back.

But West Linn sees the value of not only seeking Urban Renewal Support but also any other source, especially the Trust Fund through mitigation that can easily match dollar for dollar the kind of investments that Urban Renewal could make, especially on sensitive lands.

I spent time with a number of your Advisory Commissions getting their support for the Mitigation Trust Fund support that's even now part of the Clackamette Park Master Plan.

I would suggest that the best things that could happen at this time are:

1. Give the citizens of our city a vision as to what Urban Renewal Funds would be used for, both graphically and in word commentary. This is what West Linn did so well, starting 2 years ago, involve the citizens wherever possible and design workshops where ideas can be shared and they can work with professionals to develop the vision (that is what West Linn did successfully, starting over two and a half years ago)

3. Never forget that Urban Renewal is one source but can be combined **if you have the vision to do so and the Trust Fund approach through mitigation can provide a major source of big dollars to projects that interact with people and wildlife...** Isn't that what nearly everything should do in this day and age?

That is what citizens in West Linn are now looking at and they join with citizens in Milwaukie and Lake Oswego in similar approaches.

--

Jerry Herrmann
 President
 Rivers of Life Center/Earth Crusaders Program
 PO BOX 444
 Gladstone, OR 97027

(503)-260-3432

riversoflifecenter@gmail.com

For immediate needs, be advised that contact by phone is preferred

Item #1.



CITY OF OREGON CITY

Staff Report

625 Center Street
Oregon City, OR 97045
503-657-0891

To: Urban Renewal Commission
From: Finance Director Matt Zook

Agenda Date: 6/21/2023

SUBJECT:

Resolution No. UR 23-01, Adopting the Urban Renewal Budget, Making Appropriations and Declaring Tax Increment for the 2023-2025 Biennium

STAFF RECOMMENDATION:

Move to adopt Resolution No. UR 23-01, A Resolution Adopting the Urban Renewal Budget, Making Appropriations and Declaring Tax Increment for the 2023-2025 Biennium.

BACKGROUND:

On May 25, 2023, the Urban Renewal Budget Committee reviewed the proposed 2023-2025 Biennial Budget. At the meeting, the Committee approved a total budget in the amount of \$15,927,600 and requested the maximum amount of revenue that may be raised by dividing the taxes under section 1c, Article IX, of the Oregon Constitution and ORS Chapter 457.

On June 7, 2023, the Urban Renewal Commission (URC) held a public hearing on the approved budget and the tax increment declared for the 2023-25 biennium. The URC did not adopt the budget or declare a tax increment at that time. The URC did, however, approve a motion to declare a \$0 incremental assessed value for 2023-24 and 25% of the maximum amount for 2024-25. The public hearing was closed, and the URC tabled the adoption of the budget and declaration of tax increment to June 21 to allow for updated documentation to return to the URC.

The impact of the changes directed by the URC are reflected in the "Urban Renewal Commission Revised Biennial Budget 2023-2025" document included in the meeting packet. In summary, the property taxes collected have been reduced and the correspondence capital outlay budget lines have also been reduced.

The total revised budget amount of \$10,490,800 as directed by the URC on June 7, 2023 contains funding for future projects under the direction of the Urban Renewal Commission. In addition, the budget includes payment for costs to administer the

agency, rental expenses and \$64,000 operating contingency for future consideration by the Commission.

In accordance with Oregon Revised Statute 457.445(3), City staff contacted each taxing district with a phone call and a letter to consult and confer before Commission acts on limiting collections for the two fiscal years in the 2023-25 biennium.

Following adoption, documentation will be filed with the Department of Revenue, the Clackamas County Clerk, and the Clackamas County Assessor as required by Oregon Revised Statutes.

OPTIONS:

1. Approve Resolution No. UR 23-01 as is.
2. Deny Resolution No. UR 23-01.
3. Provide edits to Resolution No. UR 23-01.

BUDGET IMPACT:

FY(s): 2023-24 and 2024-25

Funding Source(s): Establishes the 2023-2025 Biennial Budget and Declares the Tax Increment.

RESOLUTION NO. UR 23-01**A RESOLUTION ADOPTING THE BUDGET, MAKING APPROPRIATIONS AND DECLARING TAX INCREMENT FOR THE 2023-2025 BIENNIUM****ADOPTING THE BUDGET**

BE IT RESOLVED that the Oregon City Urban Renewal Commission hereby adopts the 2023-2025 Biennial Budget in the amount of \$10,490,800 now on file at City Hall at 625 Center Street, Oregon City, Oregon.

MAKING APPROPRIATIONS

BE IT FURTHER RESOLVED that the amounts for the budget period beginning July 1, 2023 and ending June 30, 2025, and for the purposes shown below are hereby appropriated:

	Appropriation	Total
URBAN RENEWAL FUND		
Oregon City Urban Renewal Agency	\$ 10,426,800	
Contingency	64,000	
Total Adopted Budget		<u>\$10,490,800</u>

DECLARING TAX INCREMENT

BE IT FURTHER RESOLVED that the Oregon City Urban Renewal Commission hereby resolves to certify to the county assessor a request for the Oregon City Downtown/North End Urban Renewal District to set the incremental assessed value to \$0 for the fiscal year 2023-24, which will generate approximately \$0 of taxes imposed, and to set the incremental assessed value to \$55,165,000 for the fiscal year 2024-25, which will generate approximately \$828,000 of taxes imposed by dividing the taxes under Section 1c, Article IX, of the Oregon Constitution and ORS Chapter 457.

BE IT FURTHER RESOLVED that this resolution shall take effect immediately upon its adoption by the City Commission.

Approved and adopted at a regular meeting of the Urban Renewal Commission held on the 21st day of June 2023.

Michael Mitchell, Chair

Attested to this 21st day of June 2023:

Approved as to legal sufficiency:

Jakob S. Wiley, City Recorder

City Attorney

**Oregon City Urban Renewal Agency
Urban Renewal Commission Revised Biennial Budget
July 1, 2023, through June 30, 2025**

Item #2.

Introduction

The Oregon City Urban Renewal Agency's 2023-2025 Proposed Biennial Budget is balanced and has been prepared in accordance with Oregon Budget Law. For the period July 1, 2023, through June 30, 2025, the total budget is \$15,927,600.

The Agency is a separate legal entity from the City of Oregon City that is established under State law. Oregon Revised Statutes Chapter 457.035(1) creates "a public body corporate and politic to be known as the urban renewal agency" for each municipality. The Oregon City Urban Renewal Commission is responsible for providing oversight for the District as specified in the Downtown/North End Urban Renewal Plan, amended in September 2007.

On November 8, 2016, voters approved Measure 3-514, which was intended to limit the use of urban renewal in Oregon City. On July 18, 2017, the Circuit Court determined that the measure is preempted by Oregon Revised Statutes Chapter 457. The Court found that the measure is inconsistent with State law and the Agency's expenditures are not restricted. This decision was appealed to the Oregon Court of Appeals. On November 15, 2022, the Court of Appeals declared that a portion of the measure, specifically part E of Section 59 in the Oregon City Municipal Code is unenforceable as preempted by state law.

The Urban Renewal Commission approved the 11th amendment to the Urban Renewal Plan on December 21, 2022. This amendment updated the project plan to three primary projects, which are the Rossman Landfill, Clackamette Cove, and the Stimson Property, and several secondary projects, including the County Courthouse on Main Street, Improvements to the End of the Oregon Trail Interpretive Center, and downtown railroad Quiet Zone, and development of the vacant 12th and Main Street property.

On May 16, 2023, voters rejected Measure 3-597, which requested the approval for the Urban Renewal Agency to borrow up to \$44 million for projects in the Urban Renewal Plan. The proposed budget presented reflects a status quo budget while recognizing that the Urban Renewal Commission has yet to determine the future of the Urban Renewal Agency after learning the outcome of the election. In spite of this, the responsibility of the Urban Renewal Budget Committee is to review the proposed budget and determine the tax levy, the uses of all resources, and approve the budget. Subsequently, the Urban Renewal Commission has the responsibility to review the approved budget, revise if necessary, and adopt the budget. While the timing of the election in May, the requirement to adopt a budget by June 30, and the publication of mandatory newspaper notices for Budget Committee meetings all complicated the forward process, the Urban Renewal Agency must still meaningfully determine the future. At a minimum, the declaration of the tax increment for the 2023-24 and 2024-25 tax years will determine if the agency continues to collect new revenue (approximately \$3.15 million per year) toward the projects identified above. The second key choice of the Urban Renewal Agency is the use of new tax increment revenue as well as existing funds on hand (\$9.2 million). The future is in the hands of the Urban Renewal Agency.

Budget Highlights

The approved budget is funded by total biennial revenues of \$6.7 million (excluding beginning fund balance), 95% of which are from property taxes. Revenues increased by \$68,000, or 1%, over the previous budget. Tax increment increases are budgeted at 2.0% for each year of the biennium. Other revenue sources include income from property rentals and investment income.

**Oregon City Urban Renewal Agency
Urban Renewal Commission Revised Biennial Budget
July 1, 2023, through June 30, 2025**

Item #2.

Projected spending for the biennium totals \$15.86 million and is comprised of minimum operating and legal costs as well as capital projects. Finally, the budget includes costs to operate Agency owned rental properties. An operating contingency of \$0.64 million is available for appropriation to projects pending the Urban Renewal Commission's review.

The Downtown/North End Urban Renewal Plan includes an established debt limit of \$130.1 million as a maximum for urban renewal investment ("maximum indebtedness").

Respectfully,



Anthony J. Konkol III
Executive Director, OCURA

Oregon City Urban Renewal Agency
Urban Renewal Commission Revised Biennial Budget
July 1, 2023, through June 30, 2025

Urban Renewal	2017-2019 Actual	2019-2021 Actual	2021-2023 Amended Budget	2023-2025 Proposed Biennium	2023-2025 Approved Biennium	2023-2024 URC Revised Budget	2024-2025 URC Revised Budget	2023-2025 URC Revised Biennium
Resources								
Beginning Fund Balance	\$ 3,399,456	\$ 5,468,808	\$ 3,073,311	\$ 9,230,800	\$ 9,230,800	\$ 9,230,800	\$ 60,000	\$ 9,230,800
Property Taxes	5,390,098	6,237,989	6,287,500	6,336,800	6,336,800	46,000	854,000	900,000
Rental Income	164,347	208,197	221,000	240,000	240,000	120,000	120,000	240,000
Interest Income	217,125	181,543	90,000	90,000	90,000	30,000	60,000	90,000
Other Income	95,000	126	30,000	30,000	30,000	15,000	15,000	30,000
Total Resources	\$ 9,266,026	\$ 12,096,663	\$ 9,701,811	\$ 15,927,600	\$ 15,927,600	\$ 9,441,800	\$ 1,109,000	\$ 10,490,800
Requirements								
Agency Administration	\$ -	\$ 440,000	\$ 440,000	\$ 440,000	\$ 440,000	\$ 220,000	\$ 220,000	\$ 440,000
Legal & Consultant Services	5,537	176,448	240,000	240,000	240,000	120,000	120,000	240,000
Rental Expenses	49,628	64,039	100,000	100,000	100,000	50,000	50,000	100,000
Cost Reimbursement	-	867,490	-	-	-	-	-	-
Operating Materials and Supplies	7,856	8,947	12,000	14,000	14,000	7,000	7,000	14,000
Community Programs and Grants	120,000	-	-	-	-	-	-	-
Capital Outlay	395,038	40,450	-	15,069,600	15,069,600	8,984,800	648,000	9,632,800
Principal and Interest	3,219,159	7,526,578	-	-	-	-	-	-
Operating Contingency	-	-	8,909,811	64,000	64,000	60,000	64,000	64,000
Unappropriated Fund Balance	5,468,808	2,972,711	-	-	-	-	-	-
Total Requirements	\$ 9,266,026	\$ 12,096,663	\$ 9,701,811	\$ 15,927,600	\$ 15,927,600	\$ 9,441,800	\$ 1,109,000	\$ 10,490,800

BUDGET HIGHLIGHTS

- ❖ Agency Administration includes minimum staff time/contracts to operate (policy meetings, contract management, investments, debt service, financial audits, impact reports, etc.).
- ❖ Legal & Consultant Services are costs to administer the future projects and support the Commission.
- ❖ Rental Expenses are costs to manage and maintain properties (Amtrak Station, Clackamas Landscape, two houses).
- ❖ Operating Materials and Services are costs for transcription and audit services.
- ❖ Capital Outlay represents the balance of available funds for capital projects as identified in the Urban Renewal Plan.

URC REVISED HIGHLIGHTS

- ❖ Property Taxes: Incremental Assessed Value is \$0 in 2023-24 with prior year tax collections as \$46,000. Incremental Assessed Value is \$55,165,000 in 2024-25, which anticipates approximately \$828,000 in 2024-25 levy collections plus prior years tax collections as \$26,000.
- ❖ Capital Outlay reduced to reflect lower revenue.



CITY OF OREGON CITY

Staff Report

625 Center Street
Oregon City, OR 97045
503-657-0891

To: Urban Renewal Commission
From: Tony Konkol, Executive Director

Agenda Date: 06/21/2023

SUBJECT:

Request to Release the January 18, 2023 Urban Renewal Commission Executive Session Minutes

STAFF RECOMMENDATION:

Staff recommends the Urban Renewal Commission discuss the request to release the January 18, 2023 Urban Renewal Commission executive session minutes and provide a decision concerning the request.

BACKGROUND:

At the June 7, 2023 Urban Renewal Commission meeting a request was made by a member of the public to release the January 18, 2023 Urban Renewal Commission executive session minutes.

OPTIONS:

1. Approve the request to release the January 18, 2023 Urban Renewal Commission executive session minutes.
2. Deny the request to release the January 18, 2023 Urban Renewal Commission executive session minutes.
3. Continue the item for further discussion.



CITY OF OREGON CITY

Staff Report

625 Center Street
Oregon City, OR 97045
503-657-0891

To: Urban Renewal Commission
From: Tony Konkol, Executive Director

Agenda Date: 06/21/2023

SUBJECT:

Discussion of the Urban Renewal District and Implementation of the Urban Renewal Plan

STAFF RECOMMENDATION:

Staff recommends that the Urban Renewal Commission begin a discussion on the Urban Renewal District and implementation of the adopted urban renewal plan.

BACKGROUND:

The Urban Renewal Commission (URC) adopted the 11th amendment to the urban renewal and placed the question to approve the agency selling up to \$44 million in bonds to the public for a vote. At the May 16, 2023 election, the approval request failed. Staff is recommending that the URC begin a conversation on how to proceed and provide such direction to staff. It is anticipated by staff that this discussion will occur over several meetings. It is requested that the Urban Renewal Commission consider the following and provide direction:

1. Is this discussion timely and would the URC agree this is a priority?
2. Is there additional information or questions that staff can research and provide to assist in the facilitation of this discussion?
3. To provide sufficient time for this discussion, would the URC consider beginning meetings on this topic earlier (5:30pm on the existing meeting dates) or would the URC prefer to set separate dates for the discussion outside the normal meeting night?

OPTIONS:

1. Provide directions to staff on how to proceed.