CITY OF OREGON CITY
URBAN RENEWAL COMMISSION
AGENDA

Virtual Meeting

Tuesday, June 01, 2021 at 6:00 PM

VIRTUAL MEETING INFORMATION

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@orcity.org.*
- *Phone call to 503-496-1505 (Monday – Friday, 8 am – 5 pm), all messages will be relayed and/or citizens can register to provide in meeting over-the-phone testimony.*
- *Mail to City of Oregon City, Attn: City Recorder, P.O. Box 3040, Oregon City, OR 97045.*

CALL TO ORDER

ROLL CALL

CITIZEN COMMENTS

DISCUSSION ITEM

1. Study of Urban Renewal – Disposition of Urban Renewal District

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 WFMC at 503-650-0275 for a programming schedule.

CITY OF OREGON CITY

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

Staff Report

To: Urban Renewal Commission **Agenda Date:** 06/01/2021

From: City Manager Tony Konkol

SUBJECT:

Study of Urban Renewal – Disposition of Urban Renewal District

STAFF RECOMMENDATION:

Continuation of Discussion on Future of Urban Renewal

EXECUTIVE SUMMARY:

A memorandum (see attached) prepared by the Leland Consulting Group summarized the Urban Renewal Commission's meeting held on April 19, 2021. It included several key takeaways and desired next steps. It also provided a summary of the consultant's recommended action items for the remainder of the Urban Renewal Study project.

On May 19, 2021, the Urban Renewal Commission voted unanimously that the Commission believes that Urban Renewal is a good tool. Members of the Commission decided to continue its discussion regarding the disposition of Urban Renewal including:

- Public Opinion and The Vote on Urban Renewal
- The Vision Statement and Framework for Decision-Making
- Collection of Tax Increment Funds (to reduce, maintain status quo, or impose a moratorium on collecting TIF funding).
- The meaning of an Operating Contingency.

On May 20, 2021, the Urban Renewal Budget Committee held its meeting and approved via majority vote to forward the proposed Urban Renewal Commission Budget and tax levy for FY 2021 to 2023 to the Urban Renewal Commission for approval.

The Urban Renewal Commission members requested an additional meeting to discuss the Budget Committee decision and the information provided by Leland Consulting.

The Urban Renewal Commission has three options when declaring the amount of tax increment on an annual basis – 1) the maximum amount, 2) a reduced amount, or 3) a zero amount (moratorium). Staff recommends reaching a consensus on tax increment financing in preparation for the June 2 Urban Renewal Commission budget meeting.

BACKGROUND:

On April 19, 2021, the Oregon City Urban Renewal Commission discussed the direction of urban renewal based on the findings of the ongoing Urban Renewal Study. During the meeting, the Leland Consulting Group team and the Commissioners discussed several important issues including:

- findings from the outreach to urban renewal opponents, which led to a lengthy discussion of URA-owned properties, the City Charter, and other elements; and

- the advantages and disadvantages, and financial implications of a variety of options for the District.

Although there was not an official vote by the Urban Renewal Commission with regard to a specific use of urban renewal, all Commissioners verbally advocated for moving forward and decided they would like to explore more options on how to use urban renewal in Oregon City. The major takeaways and discussion items are outlined in the attached memorandum provided by the Leland Consulting Group.

Further, Commissioners discussed several potential next steps and raised some further questions during the meeting. In its memorandum (attached), Leland Consulting Group suggests areas where they could provide further assistance under the remainder of the current contract. Which include:

- **Bond Counsel.** If the Agency anticipates issuing long-term debt, it is desirable to have bond counsel review the Agency's current legal situation and provide the Board with a high-level presentation of the available financing options and special financing considerations and legal opinion implications of the ongoing litigation and appeal. The Leland team has engaged an experienced bond counsel to help brief the Urban Renewal Commissioners on this topic.

- **Updated Financial Projections**. The Leland Team will update and present financial projections to assist the Board with their understanding of the financial capabilities of the Agency.

- **Update Project Costs.** The Leland Consulting Group will prepare a high-level analysis of inflation-adjusted costs to 2021 and forecast completion dates to provide the Board with an updated assessment of the scope of projects they can more realistically anticipate completing.
- **Project Planning.** Leland will assist the Commission with scoping new or revised projects, specifically for urban renewal-owned properties that may require feasibility studies, conceptual drawings, development solicitation, etc.

James Graham, Economic Development Manager, was asked to share information on the work that he has been doing with regard to drafting a vision statement and a decision-making framework on behalf of the Urban Renewal Commission. He commented that he would be sharing the vision statement and decision-making framework (see attached).

COLLECTION OF TAX INCREMENT FUNDS

The Urban Renewal Commission has three options when declaring the amount of tax increment on an annual basis – 1) the maximum amount, 2) a reduced amount, or 3) a zero amount (moratorium). These options and consequences are detailed below.

Maximum amount – This provides the maximum amount of tax increment revenue as provided by law. The county assessor performs the calculation of the assessed value of the district, subtracts the frozen tax base established with the implementation of the urban renewal plan, and applies the appropriate tax rates against this incremental value. The result represents revenue to the urban renewal agency. The anticipated increment value and amount of revenue raised for the next two fiscal years is approximately $210-219 million (value) and an average of $3.1 million (revenue) per year.

Reduced amount – By capping the incremental value to a dollar amount certain (anywhere between the maximum as stated above and $0), the amount of tax revenue to the urban renewal agency is subsequently reduced. The remaining amount of incremental value between the amount set by the Urban Renewal Commission and the maximum allowed by law is then taxed at each of the taxing districts tax rates and sent to the appropriate taxing district.

Zero amount – By setting the incremental value of the urban renewal plan area to zero, this effectively eliminates any revenue received by the urban renewal agency, allowing the remaining taxing districts to receive the full amount of taxes that would normally be received if the urban renewal agency were not in existence.

Each of the three options above must be declared by the Urban Renewal Commission at the time the budget is adopted. Taxes are levied for a single fiscal year and must be articulate separately unless the maximum amount is levied for both fiscal years in the biennial budget. The decision to reduce the levy in one fiscal year does not prevent a maximum levy in the future. There is a method outlined in Oregon Revised Statutes that does allow an urban renewal district to increase the frozen tax base, which does become a permanent decision into the future. However, this is a distinctly separate choice from the three options above.

The table below provides an illustration of several levels of tax increment financing as examples of the impact on the increment value, estimated tax levy, and subsequent anticipated revenue to the URA.

	Fiscal Year 2022 (Year 1 of the biennium)		
Levy Option	***Excess/Increment Assessed Value***	***Tax Levy***	***Budgeted Revenue***
Maximum Levy	209,903,037	3,200,000	3,096,000
75%	156,740,423	2,389,529	2,322,000
50%	103,577,808	1,579,058	1,548,000
32%	65,938,127	1,005,236	1,000,000

ORS 475.455 provides the guidance on the topic of a reduced levy as described above and is provided below for reference.

> **457.455 Limiting collections; notification; consultation with taxing districts.** (1) If the maximum amount of funds under ORS 457.440 is not required to pay the principal and interest on indebtedness incurred for an urban renewal plan, the urban renewal agency may take formal action to limit collections under a plan for a single fiscal year, and may notify the county assessor pursuant to ORS 457.440 (2)(e) to compute the division of taxes for the urban renewal area using an assessed value that is equal to the amount specified by the agency. The assessor may not use an amount that is greater than the increment.
>
> (2) If the maximum amount of funds under ORS 457.440 is not required to pay the principal and interest on indebtedness incurred for an urban renewal plan, the urban renewal agency may limit future collections under a plan by notifying the county assessor to permanently increase the amount of the total assessed value included in the certified statement filed under ORS 457.430. The assessed value included in the certified statement may not be subsequently decreased except in connection with boundary changes.
>
> (3) Before taking formal action under this section, the urban renewal agency shall consult and confer with each taxing district affected by the urban renewal plan. [2009 c.700 §7]

Section 3 requires and additional step when limiting tax collections. If the Urban Renewal Commission desired to levy less than the maximum amount of tax increment allowed by law, the Commission would need to make a motion directing staff to consult and confer with each of the 12 taxing districts in the urban renewal area which are the City of Oregon City, Clackamas Community College, Clackamas County, County Extension and 4H, County Library, County Soil Conservation, Clackamas ESD, Clackamas County Fire District 1, Port of Portland, Oregon City School District, Metro and Vector Control.

Under the time constraints for adopting a budget and levying a tax by June 30, 2021, the time to accomplish this is very short. Thus, City staff would send a letter, an email, and a follow-up phone call to each of the districts for input. The taxing districts are not required to approve the under-levy. The districts would simply have opportunity to provide feedback or public comment. The Commission would hold a second budget meeting on June 16, which would also need to be advertised in the newspaper. At the June 16 meeting, the Urban Renewal Commission could then adopt the budget and declare the tax increment of their choosing.

The Meaning of Operating Contingency

Operating Contingency in the Urban Renewal budget represents funds available for future, unplanned expenses. It also represents the ending fund balance. The proposed and approved budgets included the balance of the Urban Renewal funds in the Operating Contingency based on the unfinished work of the urban renewal study. When the direction of the URA is solidified, the Urban Renewal Commission can move funds from Contingency into expenditure budget categories such as Capital Projects. If the Urban Renewal Commission decides on June 2 that they are ready to move money from the Contingency line to expenditure lines, it would need to make that determination at the June 2 budget meeting. This change would require a second public hearing for the budget on June 16 before adopting the budget.

THE LELAND CONTRACT

The contract with the Leland Consulting Group expired on March 31, 2021 and needs to be extended to at least May 31, 2021 to cover the payables due. If the Urban Renewal Commission decides to proceed to Option A under the contract, the contract will need to be extended to August 3, 2021. Contractual expenditure to date:

- From 10/28/2020 (the actual first payment) to March 23, 2021, Leland was paid $ $56,226.40.
- There are two outstanding payables
  - 4/8/2021 $5,048.30
  - 5/14/2021 $5,582.45

  $10,630.75

Total paid and payable is $66,857.15
Option A… $82,911
Option B… $71,101

OPTIONS:

1. Continue discussion regarding the disposition of Urban Renewal.
2. Staff recommends reaching a consensus on tax increment financing in preparation for the June 2, 2021 Urban Renewal Commission budget meeting.

Oregon City Urban Renewal Study

April 19 Meeting Summary & Proposed Next Steps

Date	May 11, 2021
To	James Graham, Tony Konkol City of Oregon City
From	Sam Brookham, Leland Consulting Group
CC	Andy Parks, GEL Oregon

This memo summarizes the Urban Renewal Commission meeting on April 19, 2021, including key takeaways and desired next steps. It also provides a summary of the consultant's recommended action items for the remainder of the Urban Renewal Study project.

The Oregon City Urban Renewal Commission meeting on April 19 was scheduled to provide a forum to discuss the direction of urban renewal in Oregon City based on the findings of the ongoing Urban Renewal Study.

During the meeting, the Leland Consulting Group team and the Commissioners discussed the following items.

- Revisited the Urban Renewal Study project process, highlighting that the consultant team is closing out Phase 1 and is ready to move on with Phase 2.
- Recapped the previous Commission meeting, which included direction to revisit the current Plan (e.g., the vision and its goals and objectives), questions about the overlapping taxing districts, additional educational elements, and options and alternatives for the District.
- Debriefed on the Oregon City Business Alliance presentation.
- Presented findings from the outreach to urban renewal opponents, which led to a lengthy discussion of URA-owned properties, the City Charter, and other elements
- Presented the alternatives analysis, which outlined the advantages, disadvantages, and financial implications of a variety of options for the District.
- Discussed next steps for the project process and the Urban Renewal District more generally.

The latter three items in the bulleted list below generated in-depth discussion between the Commissioners, City staff, and the LCG team. The key takeaways from this discussion and the next steps that were identified as a result are detailed as follows.

Key Takeaways

While there was not an official vote by the Urban Renewal Commission, all Commissioners verbally advocated for moving forward and decided they would like to explore more options for how to use urban renewal in Oregon City. The major takeaways and discussion items are outlined below.

- **Proceed with Urban Renewal.** Commissioners share a desire to continue with the Downtown Oregon City/North End Urban Renewal District but take efforts to refresh the Urban Renewal Plan, revisit the vision, revamp the project list, and potentially add a termination date (contingent on more information).
- **Establish Priorities for the City and Urban Renewal.** Is it residential, employment, or something else? Is there a specific area of focus that should be receiving more attention? These priorities should be established before

exploring the projects or anything else in the Plan. It is important to note that the goals of the 2007 Plan include improving the area as a commercial and employment center.

- **Potentially Reallocate a Greater Share of Taxes to Overlapping Taxing Districts.** The LCG team presented an option to increase the frozen base to increase the tax revenue for the taxing districts. Commissioners generally supported the notion of reallocating additional tax revenue (i.e., not levying the full authority) to the taxing districts, but prefer to maintain the flexibility of doing it for a predetermined length of time rather than a permanent refreezing of the frozen tax base to a higher level. While this will require further discussion, this action will likely be embraced by Oregon City residents, although efforts to revert to the current frozen base at a later date may become politically problematic. Alternatively, a permanent increase in the frozen base extends the life of the district by only three years because it reduces the amount of tax increment revenue upfront.
- **Prioritize Actions that can be made through Minor Amendments.** It is important to the Commissioners to not spend a lot more time in the planning phase. While a substantial amendment would be a lengthy process that would take the best part of a year, a minor amendment can be done administratively in relatively little time. All of the potential actions that have been discussed thus far, including changing the project list, making small adjustments to the boundary, and other general text edits, can be done under a minor amendment.
- **Messaging is Critical.** The Commissioners want to be proactive and be seen moving forward with urban renewal. However, there must also be a clear vision for urban renewal; OC 2040 could be one answer.
- **Focus on a Project-based Approach.** Commissioners see a need to shift to a project-based approach that considers specific projects under the larger umbrella of a vision and strategy for the District. Essentially, projects need to meet the goals and policies that the URA has established. Projects that generate a high return on investment and create housing or jobs are especially preferable. Large projects that result in significant job creation would, in turn, create income taxes, local spending, housing demand, and school attendance (increasing school revenue). Certain project types should also be explored, such as a parking structure, downtown upper story redevelopment (including seismic improvements), a downtown quiet zone, and improving the connection between the End of the Oregon Trail Interpretive Center to Main Street.
- **Focus on Quick Wins.** Major projects take many years of planning; small, incremental projects—particularly those on properties controlled by the URA—can build public support, generate tax increment, and create momentum to help advance major projects.
- **Focus on URA-owned Properties.** The Commissioners want to determine a vision for these properties, then begin working to realize that vision through a developer solicitation and negotiation process (i.e., issuing a developer RFP). Some possible steps of this process may involve conducting a market and feasibility study to identify potential development types that would pencil under current market conditions and engaging an architect to develop high-level concepts (site plans, renderings).
- **Consider the Public Participation Process.** The Commissioners recognize the need to take charge of the Plan and do the work before engaging the public. There may be opportunities to utilize existing avenues, such as OC 2040, but there does not need to be a comprehensive public engagement process; specific presentations to the public are the preferred option and considered more impactful. The ultimate demonstration of public participation is a vote, but there is not yet a consensus on whether putting a plan or project to the voters is needed or wanted. Some find this suggestion to be potentially problematic, vague, or broad, while others would like more information about what the question to the public would look like. The LCG team said that many communities take the Plan to their communities, such as Corvallis. If the Commission chose to take a plan or project to the Oregon City voters, it would benefit from implementing a deliberate campaign in support, establishing a committee, and engaging legal counsel.

Project Next Steps

Commissioners discussed several potential next steps and raised some further questions during the meeting. Some of these items are the responsibility of Commissioners or City staff, and some other items could be conducted by the consultant team. This section suggests areas where the consultant team could assist under the remainder of the current contract.

To help implement the City's downtown urban renewal program a few items require additional understanding and clarification. Specifically, does the URA envision utilizing long-term debt to complete the Plan? This decision has significant impacts on the timing of and capability of the Agency to fund various projects.

Bond Counsel. If the Agency anticipates issuing long-term debt, we believe it is desirable to have bond counsel review the Agency's current legal situation and provide the Board with a high-level presentation of the available financing options and special financing considerations and legal opinion implications of the ongoing litigation and appeal. We will address issued debt and incurred indebtedness. The LCG team has engaged an experienced bond counsel to understand the cost and scope of this work.

Updated Financial Projections. We will update and present financial projections to assist the Board with their understanding of the financial capabilities of the Agency, i.e., a range of forecasted debt capacity of the Agency, by fiscal year, given various assumptions, such as debt maturity (10, 15 and 20 years), growth rates of assessed value within the district (current rate of growth, +1.0 percent and +2.0 percent scenarios), and a low, mid and high-interest rate on borrowings.

Update Project Costs. We will prepare a high-level analysis of inflation-adjusted costs to 2021, and forecast completion dates to provide the Board with an updated assessment of the scope of projects they can more realistically anticipate to complete. Note that the adopted Plan's maximum indebtedness of $130 million was in constant dollars, not inflation-adjusted dollars, noting that to complete all elements of the Plan, would likely require Plan amendment(s) at a future date.

Project Planning. We will assist the Commission with scoping new or revised projects, specifically for urban renewal-owned properties that may require feasibility studies, conceptual drawings, development solicitation, etc. We recognize the desire to move quickly to develop an actionable plan and will provide the guidance to undertake this effort.

We will also review with staff the methodology used to recover City costs via reimbursement from the URA, document and suggest any changes as well as potential impacts of past administrative costs to the Plan.

Questions

The LCG team has provided preliminary answers to the six questions listed below. Each question may need to be explored in more detail; preliminary answers follow.

- If we were to take the plan to a vote, what would the question to the public look like?
- What would be the process to refresh the Plan?
- What is the likely timeline for revising the Plan (minor amendments only)?
- What is the impact of the downtown area on the District's finances? What would happen if it was removed?
- What are the financial implications of adding a termination date?
- What are the financial implications of a substantial amendment?

If we were to take the plan to a vote, what would the question to the public look like?

An example question is as follows: "Shall the Downtown Oregon City Urban Renewal Plan, including the collection and use of tax increment funds, be approved?"

What is the likely timeline for revising the Plan (minor amendments only)?

Many elements should be completed within 90-120 days, although challenging decisions or specific, complex projects may require additional time depending on the Board's desire for the scope of work to make decisions.

What is the impact of the downtown area on the District's finances? What would happen if it was removed?

This would require additional analysis. Any material change to the District's boundary, i.e., removing property that has increased in value since freezing the base, will reduce tax increment and defer completion of the Plan. It would be simpler to adjust the frozen base than to remove property from the district. An additional benefit of this approach is maintaining the ability to expend urban renewal moneys in any area retained within the URA. Once removed, URA investment will cease.

What are the financial implications of adding a termination date?

The implications depend on the date of the termination. If the date is prior to the expected date to expend the $130 million maximum indebtedness, the termination date may reduce planned investment. However, that may be offset if there is a sense of urgency within the Agency to complete projects more quickly.

What are the financial implications of a substantial amendment?

Requires some analysis, however, the most significant would be revenue sharing with other taxing districts if a given threshold is met. This would extend the district's life.

THE URBAN RENEWAL DISTRICT
A VISION FOR THE FUTURE AND A FRAMEWORK FOR MAKING INVESTMENT DECISIONS

INTRODUCTION:

Oregon City is one of seven Regional Centers designated in the Metro Region 2040 Growth Concept, which covers the entire tri-county area of Clackamas, Multnomah, and Washington counties. The term Regional Center is described as a concentration of activity and investment that serves an area of activity and investment for several cities.

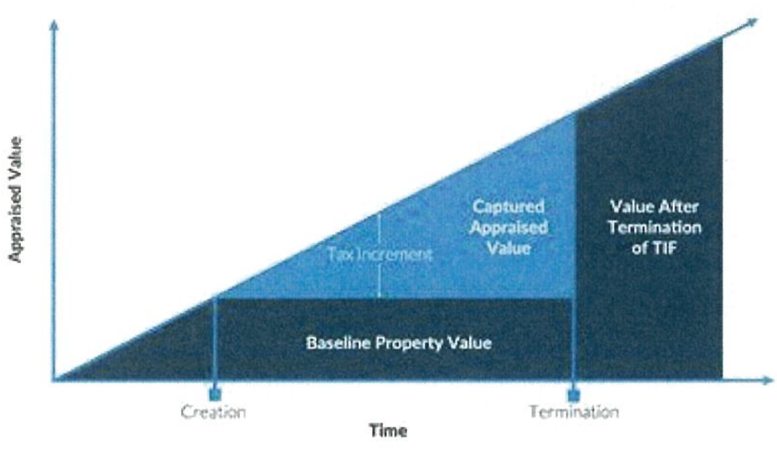
The Urban Renewal District plays a major role in helping transform Oregon City into a true Regional Center. The Urban Renewal District is not only a designated geographic area within Oregon City, but it is an economic development tool that provides an opportunity to attract and create real estate investments and develop programs that help to further its adopted vision.

THE URBAN RENEWAL DISTRICT'S TAX INCREMENT FINANCING PROGRAM

Urban renewal is funded by tax increment financing (TIF). At the time the urban renewal plan was adopted, the county assessor calculated the total assessed value of the area and established this value as the "frozen base" for the area.

Taxes from that frozen base continue going to all the taxing jurisdictions. Growth above the base is called the "increment". Taxes from the increment, called tax increment revenue, go to the urban renewal agency for projects within the urban renewal area.

Figure 1: Diagram of a Conceptual Tax Increment Financing Plan



VISION:

Physical investments and programming within the Urban Renewal District will result in the following:

- ***create an environment of livability;***
- ***establish recreational opportunities that support good health and provide enjoyment;***

- ***generate investments that will provide rates of return on investments;***
- ***broaden the tax base; and***
- ***contribute toward providing a good quality of life for all residents of Oregon City and the region regardless of race, creed, gender, sexual orientation, or disability.***

The attributes of livability, recreational opportunity, a rate of return on investments, and a good quality of life are interdependent and serve as the foundational cornerstone to help Oregon City solidify its status as a regional center.

GOAL: LIVABILITY

Livability is about building community that enhances the quality of life through action to improve local environments and provide safe conditions in places where people live. Private single-family homes should not be constructed along the Clackamas and the Willamette River shorelines. This type of private investment along shorelines garner lower rates of return per square foot than commercial enterprise. Private single-family residences along the river shoreline and along the shoreline of the Clackamas River could potentially limit access to newly mitigated land and scenic waterway

Therefore, it shall be the goal of the Urban Renewal Commission to support the development of housing away from the shoreline of the Cove and Willamette River. The creation of a variety of housing options with different price points will be encouraged.

GOAL: RECREATIONAL OPPORTUNITIES

The ability to establish recreational opportunities offering various types of outdoor amenities, man-made and/or natural, can result in many health benefits as well as provide enjoyment. The Cove, the surrounding landscape, and the nearby Willamette River Shoreline provides many opportunities for investment in private and publicly owned recreational-related facilities and infrastructure. The shorelines of the Clackamas and Willamette could provide an opportunity for a walking path.

Recreational opportunities should include for-profit operations that provide experiences to outdoor enthusiasts as well as other forms of quality entertainment. To the extent that public amenities are included, they should exist to complement and support for-profit operations.

It shall be the goal of the Urban Renewal Commission to support the development of privately owned recreational-related facilities and infrastructure within the Cove and within other areas of the Urban Renewal District where it deems appropriate.

GOAL: INCOME PRODUCING INVESTMENTS

Development should be responsive to the market and social needs of the region and City infrastructure and policies should accommodate development's responsiveness. City investments in projects should be fiscally conservative and equitable throughout the City. Growth will not saddle future generations with long term environmental or economic burdens.

For-profit business operations should provide long term employment, pay livable wages, broaden the tax base, and provide a rate of return to the district. To that end, income-producing investments including restaurants, state-of-the-art small convention/business meeting space, boutique hotel, an arts and entertainment venue are all appropriate considerations.

It shall be the goal of the Urban Renewal Commission to prioritize and support investments that provide a return on investment and broadens the tax base. To the extent public investments exist, they should complement and support private investments.

What we want to see in the future

CITY OF OREGON CITY
PERSONAL SERVICES AGREEMENT

This PERSONAL SERVICES AGREEMENT ("Agreement") is entered into between the URBAN RENEWAL AGENCY OF OREGON CITY ("Agency") and Leland Consulting Group ("Consultant").

RECITALS

A. The Urban Renewal Agency requires services that Consultant is capable of providing under the terms and conditions hereinafter described.

B. Consultant is able and prepared to provide such services as the Urban Renewal Agency requires under the terms and conditions hereinafter described.

The parties agree as follows:

AGREEMENT

1. Term. The term of this Agreement shall be from the date the contract is fully executed until **March 31, 2021,** unless sooner terminated pursuant to provisions set forth below. However, such expiration shall not extinguish or prejudice Agency's right to enforce this Agreement with respect to (i) breach of any warranty; or (ii) any default or defect in Consultant's performance that has not been cured.

2. Compensation. The Urban Renewal Agency agrees to pay Consultant on a time-and-materials basis for the services required. Total compensation, including reimbursement for expenses incurred**, shall not exceed Eighty-two thousand nine hundred eleven and 00/100 dollars ($82,911 for option A) or not to exceed Seventy-one thousand one hundred one and 00/100 dollars ($71,101 for Option B)** as cited in Exhibit A attached hereto and by this reference incorporated herein.

3. Scope of Services. Consultant's services under this Agreement shall consist of services as detailed in Exhibit A, attached hereto and by this reference incorporated herein.

4. Standard Conditions. This Agreement shall include all the standard conditions as detailed in Exhibit B, attached hereto and by this reference incorporated herein.

5. Integration. This Agreement, along with the description of services to be performed attached as Exhibit A and the Standard Conditions to Oregon City Personal Services Agreement attached as Exhibit B, contain the entire agreement between and among the parties, integrate all the terms and conditions mentioned herein or incidental hereto, and supersede all prior written or oral discussions or agreements between the parties or their predecessors-in-interest with respect to all or any part of the subject matter hereof.

6. Notices. Any notices, reports or other documents required by this Agreement shall be sent by the parties by United States mail, postage prepaid, or personally delivered to the addresses below. All notices shall be in writing and shall be effective when delivered. If mailed, notices shall be deemed effective forty-eight (48) hours after mailing, unless sooner received. Bills and invoices may be sent by e-mail or United States mail.

To the Urban Renewal Agency:	Urban Renewal Agency c/o City of Oregon City PO Box 3040 625 Center Street Oregon City, OR 97045 Attention: City Manager
To Consultant:	Leland Consulting Group 610 SW Alder Street, Suite 1200 Portland, OR 97205 Attn: Sam Brookham, Associate

Consultant shall be responsible for providing the Agency with a current address. Either party may change the address set forth above for purposes of notices under this Agreement by providing notice to the other party in the manner set forth above.

7. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Oregon without resort to any jurisdiction's conflicts of law, rules or doctrines.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly appointed officers on this 7th day of August, 20 20.

THE URBAN RENEWAL AGENCY OF OREGON CITY

By: Anthony J. Konkol, III
Title: City Manager

DATED: August 5, 2020.

By: James N Graham
Title: Department of Economic Development

LELAND CONSULTING GROUP

By: Chris Zahas
Title: Managing Principal

DATED: August 7, 2020.

APPROVED AS TO LEGAL SUFFICIENCY:

By: ______________________
City Attorney

Point of Contact: James Graham
Term of Contract: 8/6/2020 – 3/31/2021

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5. Integration. This Agreement, along with the description of services to be performed attached as Exhibit A and the Standard Conditions to Oregon City Personal Services Agreement attached as Exhibit B, contain the entire agreement between and among the parties, integrate all the terms and conditions mentioned herein or incidental hereto, and supersede all prior written or oral discussions or agreements between the parties or their predecessors-in-interest with respect to all or any part of the subject matter hereof.

6. Notices. Any notices, reports or other documents required by this Agreement shall be sent by the parties by United States mail, postage prepaid, or personally delivered to the addresses below. All notices shall be in writing and shall be effective when delivered. If mailed, notices shall be deemed effective forty-eight (48) hours after mailing, unless sooner received. Bills and invoices may be sent by e-mail or United States mail.

Scope of Work

The following text outlines the consultant team's scope of work. Phase 1 mostly involves comprehensive community and stakeholder engagement and outreach efforts to determine the desired path forward for the District. The specific scope of Phase 2 will be determined by the Commission and may entail the plan amendments, closure process, or other options as directed.

Assumptions

This project will address the following issues and objectives regarding urban renewal in Oregon City.

- City Commissioners, some stakeholders, and some members of the general public have expressed reservations about how Oregon City's Urban Renewal District has been utilized over the past few years.
- Urban renewal in Oregon City has a questionable reputation among some community leaders and the general public.
- Urban Renewal Commissioners want to take a "second look" at urban renewal as a tool for development/redevelopment in the community.
- The Commissioners want this "second look" at urban renewal to be as transparent as possible engaging important stakeholders and the public in a thoughtful conversation regarding the use of the Oregon City Urban Renewal District and its importance to the community.

Given the assumptions and project goals listed above, the project will feature a wide array of public involvement methods and tools, collaboration with the Urban Renewal Commission, and the development of education and awareness materials to achieve community consensus and establish a universally-supported path forward for the Urban Renewal District. We will frequently engage the Commission to solicit feedback, seek guidance, and generally allow for opportunities to "check-in" on the project.

The financial and technical components of the project will follow the majority of these engagement and outreach efforts once a decision has been made by the Commission.

Shared Responsibilities

The following bullets outline the specific roles and responsibilities of the consultant and the City throughout the project.

- City to assist with outreach, scheduling, and providing space for meetings.
- City to provide one set of consolidated, nonconflicting comments on all deliverables within two weeks.
- Consultant to provide meeting materials, agendas, and minutes for stakeholder meetings, community workshops, and other non-standing meetings.
- City to provide agenda and minutes for standing meetings (Commission, Council, etc.).
- Consultant to provide website content only; City to maintain a webpage on the City site.
- Consultant to support the City with communications and key messaging, media releases, social media, etc.

Phase 1 Tasks

EXHIBIT A

1. Project Initiation

The primary goal of this task is to formulate, refine, and prioritize certain actions to ensure that our work is as effective and inclusive as possible. This will result in a detailed process that engages and facilitates the participation of all stakeholders as early as possible. Doing so will ensure the project is inclusive and maximizes the potential for community buy-in.

1.1. **Kickoff and Scope Refinement.** The project team will conduct meetings with Oregon City staff to kick off the project. The purpose of this meeting is to align expectations and assumptions, finalize the scope of work, identify potential issues, and establish schedule and data and information needs. Specific elements will include:

- Project Kickoff Meeting. We will meet with City staff, Urban Renewal Commission representatives, and other valued stakeholders. The City and project team will finalize the scope and schedule that clearly outlines major deadlines and deliverable dates.
- Urban Renewal Commission Kickoff Meeting. We will meet with the Urban Renewal Commission to present foundational urban renewal information and confirm the project schedule, assumptions, and the Commission's specific role in each task, meeting, and deliverable.
- Site Tour. We will individually tour the Urban Renewal District (URD) to gain familiarity with the specific area and potential boundaries.
- Outreach and Goal Setting. We will coordinate with the City and Commission to refine the outreach process and identify key stakeholders to be interviewed as part of Task 2, including key staff and elected/appointed officials, business and property owners, residents, and taxing jurisdictions.

August 2020

1.2. **Branding.** With the City's assistance, we will develop a brand for the project, to include a project name and key messaging. Other discussion points include a project webpage and logo.

1.3. **Information Gathering and Review.** The project team will work with staff to obtain all background work and feasibility analyses, along with other related financial reports, budgets, project histories, and related documentation to establish a clear and accurate course for this process. We will review this information to gain a foundational understanding of current circumstances and direction, ascertain initial issues and opportunities, and develop a preliminary understanding of financial status and barriers. As described earlier, our team has extensive experience in Oregon City and familiarity with many of these documents, so we anticipate minimal effort in this task.

August 2020

Deliverable: Summary memo documenting initial meeting notes, outreach, goals, and other information.

2. Community Outreach

2.1. Our approach to community outreach involves a wide variety of tools and methods to reach the broadest and most diverse audience. In this time of uncertainty for in-person gatherings due to COVID-19, it is critical that we explore all avenues available and be creative in our approaches to community engagement. While many meetings can be held online, these forums are inaccessible to some residents, including historically marginalized communities. We will be thoughtful about how to build off existing activities to maximize participation. We will identify outreach strategies appropriate for various stages of stay-at-home directives Even after restrictions are lifted, it is unlikely that community

EXHIBIT A

engagement activities will go back to "normal". For each strategy, we will provide tips, approaches and issues to consider as we navigate this new reality.

2.2. **Public and Stakeholder Involvement Plan.** We will prepare a Public and Stakeholder Involvement Plan that establishes public involvement objectives, defines key messages and communications protocols, identifies stakeholder groups, describes the array of tools and methods best suited to inform and engage each stakeholder group, describes City staff, Urban Renewal Commission and consultant roles and responsibilities, and establishes a schedule for community participation.

August 2020

Deliverable: Public and Stakeholder Involvement Plan

2.3. **Urban Renewal Commission Meetings.** We will participate in the Urban Renewal Commission's standing meetings and an additional three to four extended work sessions with the Commission to cover matters that require more time. These are described below in more detail.

- Standing Meetings. At least one representative from the consultant team will attend and participate in standing Urban Renewal Commission standing meetings. Given the limited time allotted at these meetings, the objective will be to provide project updates, give presentations on specific urban renewal topics, answer questions, and request guidance or feedback.
- Extended Work Sessions. The team will schedule up to four extended (up to two hours) work session meetings with the Commission. These meetings will cover agenda items that require presentations, robust discussions, decision-making, or other matters that require more time. The team will prepare the agendas and facilitate these meetings. These meetings will include, at a minimum:
  - August kickoff to present the overall process, discuss community outreach and the Commissioners' roles.
  - September or October to review financial considerations and check the progress of the engagement efforts.
  - November to present the final community engagement results and establish the next steps.
  - January to present and discuss the direction of the district, as decided in Task 3.

August 2020 to January 2021 (Ongoing)

2.4. **Educational Materials.** We will develop a suite of educational outreach materials based on the information gathered in Task 1, including content for a project website and up to five easy-to-understand materials using infographics, images and other visually engaging techniques to convey key information about urban renewal and the Oregon City Renewal Plan. The materials will be circulated via email, posted in public places, shared via social media and handed out at community events. All materials and activities will be designed to drive community members to the website for more information and to learn about future opportunities for participation.

The materials will also educate the public about the Oregon City Downtown/North End Urban Renewal Plan, including URA year of establishment, core values, timeline, boundaries, potential impacts and benefits, revenue, and previous and potential projects. This will include a summary of completed projects and revitalization accomplishments in downtown as a result of urban renewal.

Potential questions we wish to answer through these efforts include:

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- What is urban renewal?
- How does Tax Increment Financing work?
- When does it make sense to use urban renewal?
- What can urban renewal pay for and what can it not pay for?
- How will it affect my property taxes?
- What about schools?
- How is an urban renewal plan adopted?
- What are some examples of how urban renewal has been used elsewhere in Oregon?

August to September 2020

Deliverable: Education materials (flyer, FAQ, presentation, web and/or communications content)

2.5. **Stakeholder Outreach.** We will take the educational materials "on the road" to engage the full spectrum of stakeholders identified in Task 1.3 using various tools and activities tailored to each specific stakeholder group. Commissioners will be invited to participate in these activities. The activities will provide a mechanism for two-way communication where we provide a brief overview of urban renewal, the Oregon City Urban Renewal Program and the Plan Review project and process, followed by careful listening and recording of community questions and concerns. Special attention will be given to meeting with affected taxing districts (i.e., the Fire District, School District, and County).

Outreach methods will include, but are not limited to (note that Community Group Meetings are included in Task 2.5):

- Up to five (5) stakeholder interviews or focus group conversations via phone or video conference. In-person interviews may be conducted in some instances. These interviews will inform the development of educational materials by identifying potential areas of agreement and issues that require more information and further discussion. One priority stakeholder for interviews is affected taxing districts.
- Up to five (5) Community Group Presentations with standing community groups, such as neighborhood associations, chamber of commerce, business alliance, civic groups, schools and places of worship. For those groups that are holding virtual meetings, we will reserve time on their agendas to maximize participation.
- Urban Renewal Commissioner Town Halls. Conduct a series of five (5) Town Hall meetings, each to be hosted by an Urban Renewal Commissioner. Town Halls would be held via online video conference and provide constituents an opportunity to ask questions and provide comments about urban renewal in Oregon City.
- Up to three (3) online community surveys to expand our education and outreach efforts and further identify potential community concerns and issues to be revolved during this project. This tool will be available to those who are unable or do not prefer to participate in group activities.

August to December 2020

2.6. **Community Workshops (3).** We will design and host three virtual community workshops throughout the project. While these workshops attract a small subset of the community, the face-to-face interaction among neighbors is valuable. Each community workshop will be recorded and posted to the project website so those who cannot attend live can watch the recording. An online survey will accompany each workshop to allow for full participation.

EXHIBIT A

The first meeting will include a presentation of urban renewal facts and an overview of the project. Following the presentation, community members will move to breakout groups to review and discuss aspects of the Oregon City Urban Renewal Program, such as core values, boundaries, benefits and negative impacts, and projects/project types.

A second community workshop will invite participants to prioritize potential projects from a list prepared by the Urban Renewal Commission. These activities will be advertised using the broad distribution methods used to publicize the first workshop and survey, and through direct emails with all who participated in the previous phase of the project.

The final community workshop and survey will provide community members with an opportunity to review and comment on the draft Urban Renewal Plan. All comments and questions from Community Group Presentations, community workshops, and online surveys will be tracked throughout the process, compiled and summarized for community and Urban Renewal Commission consideration.

September to January 2020

2.7. **Public Involvement Summary.** When the initial round of outreach is completed at the end of October, we will prepare a Public Involvement Summary that compiles and codes all of the comments from the various outreach activities and identifies frequent themes among the comments. These themes will be presented at one of the long-format Urban Renewal Commission meetings and provide Commissioners with a first check-in on how to proceed with the project.

January 2021

Deliverable: Public Involvement Summary Memorandum

2.8. **2020 Oregon City Community Survey.** We will work with City staff to develop questions to be included in the 2020 Community Survey.

3. Conclusions and Next Steps

With the majority of the community outreach completed, we will facilitate a work session with the Commission to summarize the process to date and confirm the future of the District. This task will set the scope for tasks in Phase 2, which will largely involve the project's financial and technical work.

3.1. **Preliminary Projects and Programs List.** We will review the project list in the current plan and identify required changes, if any, based on what we heard during our community outreach efforts. These projects and programs will improve conditions and catalyze private investment in the area, in compliance with ORS 457.170. These projects will be consolidated into a high-level list of project categories and goals—such as multimodal connectivity, affordable housing, and business vitality—and shared with the community to understand their desires and priorities for certain types of projects within the district. This information will subsequently factor into the team's recommendations for project prioritization in the plan. While some projects will be location-specific, the project list should be flexible enough to respond to opportunities and shifting priorities.

October through December 2020

3.2. **Summary Presentation and Memo.** We will prepare a memo that includes a summary of the public engagement outcomes, preliminary project list, and cost estimates and recommended next steps for the district. These recommendations will be presented to City staff and the Urban Renewal Commission and will, upon City and Commission approval, set the scope of the following task.

January 2021

Deliverable(s): Presentation materials and recommendations memorandum

EXHIBIT A

Phase 2 Preliminary Tasks

LCG will reconvene with the City to revise the scope and budget for Phase 2 based on the determination of the City and Commission. The following text outlines two options: making minor amendments to the Plan or closing the district. A major amendment, which would entire all the steps involved with developing a new plan, would need to be completed outside the scope of this project.

4. Urban Renewal Plan Amendments (Option A)

The Urban Renewal Plan, if Oregon City chooses to proceed with keeping the existing District open, sets out the parameters of the actions to be undertaken in the district by the Oregon City Urban Renewal Agency. Amendments to the existing Plan are likely needed to reflect the current issues and opportunities as Oregon City's priorities and needs since the adoption of the Plan. This work will be completed in a timely fashion and will include committee and public outreach meetings as described in Task 2.

4.1. **Final Projects and Programs List.** The consultant team will review the project list, the City's assets, and the indebtedness and timeline of investments or closures. The project team will work with the city engineer to collect information and confirm project costs. If necessary, 3J Consulting will calculate planning-level estimates for projects lacking existing up-to-date cost estimates.

January 2021

Deliverable(s): Project list and cost estimates

4.2. **Financial Analysis.** In accordance with ORS 457.085(3)(f)(g), we will conduct a detailed financial analysis that will include cash flow analyses through the completion of the projects and repayment of the debt, tax increment projections, project costs, fiscal impact statements, and various scenario projections. We will gather precise market intelligence to inform the financial analysis and, specifically, build a realistic development forecast. Future projections will account for increment changes due to the completion of planned projects and recognition of inflation.

Specific elements will include:

- General assumptions on the type of debt that will be incurred by the district, and the terms associated with that debt (e.g., interest rates, coverage ratios, reserve requirements, issuance costs, and the amortization period),
- A summary of the impacts on taxes imposed by overlapping taxing districts, and
- An exploration of any potential issues associated with the desired Plan direction (determined by the Commission).

January through February 2021

Deliverable(s): Financial Analysis memorandum

4.3. **Determination of Amendment Type.** Depending on the type of required amendments (Substantial, Minor, or Major/Commission-Approved), we shall outline the necessary steps for the City to take, as described in the Oregon Urban Renewal Best Practices Manual.

- Substantial Amendments are for a land area increase of more than one percent or an increase in the maximum indebtedness. Substantial amendments must be adopted in the same manner as the adoption of a

EXHIBIT A

new district plan. Completing this work would need to be undertaken as an independent project outside the scope of this project.

- Minor Amendments are for changes to projects and programs or changes to the existing boundary which do not exceed a one percent increase in land area. Minor amendments only require approval by the URA.

February 2021

4.4. **Action Plan.** We will prepare a detailed project implementation schedule (action plan) as part of the Urban Renewal Plan and Report. This action plan will guide urban renewal actions for the next five to 10 years based on the project list in Tasks 4.1 and 4.2. The existing Plan would provide our team with the contextual framework on which to develop a new action plan which will leverage the progress of urban renewal and ensure near-term opportunities are realized.

February 2021

4.5. **Presentation of Findings and Recommendations.** We will present the Plan and Report to the city council, planning commission, and other committees as required and as desired by the City.

4.6. **Adoption of the Amended Urban Renewal Plan and Convening Urban Renewal Agency.** Our team will help set agendas for Urban Renewal Commission meetings and facilitate productive discussions of pertinent topics throughout the process leading to the adoption of the Urban Renewal Plan amendments, including, as applicable, the Relocation Report, UR Program Property Acquisition and Disposition Report, Summary of Public Involvement, Project List and Project Cost Estimates, Detailed Financial Plan and Affected District Impacts, Detailed Project Implementation Schedule, Legal Description, and Legal Review.

March 2021

5. Urban Renewal District Closure (Option B)

If the Urban Renewal Commission decides, after reviewing the financial analysis and community outreach results, to close the District, we will assist the City with the termination process.

5.1. **Develop Findings Report for Urban Renewal Plan adoption or District closure.** Terminating the Plan should be done by express action of the agency through a resolution. The resolution will be accompanied by a closing report summarizing the effects that the plan had in terms of projects and finance. This report will include recommendations, as decided by staff and the Commission, about how to proceed with the closure.

February 2020

Schedule

The above scope of work will take approximately eight (8) months, commencing in August/September 2020 and finishing in March 2021. We expect to complete Phase 1 by January 2021. Most of our community outreach efforts will be completed within four months but will extend throughout the project, as necessary.

EXHIBIT A

Cost Estimate

The following table shows the final budget for Phase 1. Upon completion of Phase 1, we will work with you to refine the budget and adjust as necessary for Phase 2.

Task	LCG Zahas $225	LCG Brookham $135	GEL Parks $200	3J Faust $160	3J Edging $100	Hours by Task	Budget by Task
Phase 1							
1. Project Initiation	6	20	16	16	4	62	$10,210
2. Community Outreach	24	52	60	80	80	296	$45,220
3. Conclusions and Next Steps	8	20	10	12	6	56	$9,020
	38	92	86	108	90	414	
Phase 2							
4. Urban Renewal Plan Amendments (Option A)	20	24	32	10		86	$15,740
5. Urban Renewal District Closure (Option B)	2	8	12			22	$3,930
Expenses (estimated)	$140	$280	$225	$140	$140		$925
Subconsultant & Expenses Markup	10%						$2,721
Combined Fee, Phase 1 + 2 (Option A)							$82,911
Combined Fee, Phase 1 + 2 (Option B)							$71,101

STANDARD CONDITIONS TO OREGON CITY PERSONAL SERVICES AGREEMENT

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1. Contractor Identification. Contractor shall furnish to City its taxpayer identification number, as designated by the Internal Revenue Service, or Contractor's social security number, as City deems applicable.

2. Payment.

(a) Invoices submitted in connection with this Agreement shall be properly documented and shall identify the pertinent agreement and/or purchase order numbers.

(b) City agrees to pay Contractor within thirty (30) days after receipt of Contractor's itemized statement. Amounts disputed by City may be withheld pending settlement.

(c) City certifies that sufficient funds are available and authorized for expenditure to finance the cost of the services to be provided pursuant to this Agreement.

(d) City shall not pay any amount in excess of the compensation amounts set forth in this Agreement, nor shall City pay Contractor any fees or costs that City reasonably disputes.

3. Independent Contractor Status.

(a) Contractor is an independent contractor and is free from direction and control over the means and manner of providing labor or services, subject only to the specifications of the desired results.

(b) Contractor represents that it is customarily engaged in an independently established business and is licensed under ORS chapter 671 or 701, if the services provided require such a license. Contractor maintains a business location that is separate from the offices of the City and bears the risk of loss related to the business as demonstrated by the fixed price nature of the contract, requirement to fix defective work, warranties provided and indemnification and insurance provisions of this Agreement. Contractor provides services for two or more persons within a 12 month period or routinely engages in advertising, solicitation or other marketing efforts. Contractor makes a significant investment in the business by purchasing tools or equipment, premises or licenses, certificates or specialized training and Contractor has the authority to hire or fire persons to provide or assist in providing the services required under this Agreement.

(c) Contractor is responsible for obtaining all assumed business registrations or professional occupation licenses required by state or local law (including applicable City or Metro business licenses as per Oregon City Municipal Code Chapter 5.04). Contractor shall furnish the tools or equipment necessary for the contracted labor or services. Contractor agrees and certifies that:

(d) Contractor is not eligible for any federal social security or unemployment insurance payments. Contractor is not eligible for any PERS or workers' compensation benefits from compensation or payments made to Contractor under this Agreement.

(e) Contractor agrees and certifies that it is licensed to do business in the State of Oregon and that, if Contractor is a corporation, it is in good standing within the State of Oregon.

4. Early Termination.

(a) This Agreement may be terminated without cause prior to the expiration of the agreed-upon term by mutual written consent of the parties or by the City upon ten (10) days written notice to the Contractor, delivered by certified mail, email, or in person.

(b) Upon receipt of notice of early termination, Contractor shall immediately cease work and submit a final statement of services for all services performed and expenses incurred since the date of the last statement of services.

(c) Any early termination of this Agreement shall be without prejudice to any obligation or liabilities of either party already accrued prior to such termination.

(d) The rights and remedies of the City provided in this Agreement and relating to defaults by Contractor shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

5. No Third-Party Beneficiaries. City and

STANDARD CONDITIONS TO OREGON CITY PERSONAL SERVICES AGREEMENT

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Contractor are the only parties to this Agreement and are the only parties entitled to enforce its terms. Nothing in this Agreement gives, is intended to give, or shall be construed to give or provide, any benefit or right, whether directly or indirectly or otherwise, to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Agreement.

6. Payment of Laborers; Payment of Taxes.

(a) Contractor shall:

(i) Make payment promptly, as due, to all persons supplying to Contractor labor and materials for the prosecution of the services to be provided pursuant to this Agreement.

(ii) Pay all contributions or amounts due to the State Accident Insurance Fund incurred in the performance of this Agreement.

(iii) Not permit any lien or claim to be filed or prosecuted against the City on account of any labor or materials furnished.

(iv) Be responsible for all federal, state, and local taxes applicable to any compensation or payments paid to the Contractor under this Agreement and, unless Contractor is subject to back-up withholding, the City will not withhold from such compensation or payments any amount(s) to cover Contractor's federal or state tax obligation.

(v) Pay all employees at least time and one-half for all overtime worked in excess of forty (40) hours in any one week, except for individuals excluded under ORS 653.100 to 653.261 or under 29 U.S.C. §§ 201 to 209 from receiving overtime.

(b) If the Contractor fails, neglects or refuses to make prompt payment of any claim for labor or services furnished by any person in connection with this Agreement as such claim becomes due, the City may pay such claim to the person furnishing the labor or services and shall charge the amount of the payment against funds due or to become due to the Contractor by reason of this Agreement.

(c) The payment of a claim in this manner shall not relieve Contractor or Contractor's surety from obligation with respect to any unpaid claims.

(d) Contractor and subcontractors, if any, are subject employers under the Oregon workers' compensation law and shall comply with ORS 656.017, which requires provision of workers' compensation coverage for all workers.

7. SubContractors and Assignment. Contractor shall neither subcontract any of the work, nor assign any rights acquired hereunder, without obtaining prior written approval from the City. The City, by this Agreement, incurs no liability to third persons for payment of any compensation provided herein to the Contractor.

8. Access to Records. City shall have access to all books, documents, papers and records of Contractor that are pertinent to this Agreement for the purpose of making audits, examinations, excerpts and transcripts.

9. Ownership of Work Product; License. All work products of Contractor that result from this Agreement (the "Work Products") are the exclusive property of City. In addition, if any of the Work Products contain intellectual property of Contractor that is or could be protected by federal copyright, patent, or trademark laws, or state trade secret laws, Contractor hereby grants City a perpetual, royalty-free, fully paid, nonexclusive and irrevocable license to copy, reproduce, deliver, publish, perform, dispose of, use and re-use, in whole or in part (and to authorize others to do so), all such Work Products and any other information, designs, plans, or works provided or delivered to City or produced by Contractor under this Agreement. The parties expressly agree that all works produced (including, but not limited to, any taped or recorded items) pursuant to this Agreement are works specially commissioned by City, and that any and all such works shall be works made for hire in which all rights and copyrights belong exclusively to City. Contractor shall not publish, republish, display or otherwise use any work or Work Products resulting from this Agreement without the prior written agreement of City.

10. Compliance With Applicable Law.

STANDARD CONDITIONS TO OREGON CITY PERSONAL SERVICES AGREEMENT

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Contractor shall comply with all federal, state, and local laws and ordinances applicable to the services to be performed pursuant to this Agreement, including, without limitation, the provisions of ORS 279B.220, 279C.515, 279B.235, 279B.230 and 279B.270. Without limiting the generality of the foregoing, Contractor expressly agrees to comply with (i) Title VI of the Civil Rights Act of 1964; (ii) Section V of the Rehabilitation Act of 1973; (iii) the Americans With Disabilities Act of 1990 (Pub. L No. 101-336), ORS 659.425, and all regulations and administrative rules established pursuant to those laws; and (iv) all other applicable requirements of federal and state civil rights and rehabilitation and other applicable statutes, rules and regulations.

11. Professional Standards. Contractor shall be responsible, to the level of competency presently maintained by others practicing in the same type of services in City's community, for the professional and technical soundness, accuracy and adequacy of all services and materials furnished under this authorization.

12. Modification, Supplements or Amendments. No modification, change, supplement or amendment of the provisions of this Agreement shall be valid unless it is in writing and signed by the parties hereto.

13. Indemnity and Insurance.

(a) Indemnity. Contractor acknowledges responsibility for liability arising out of Contractor's negligent performance of this Agreement and shall hold City, its officers, agents, Contractors, and employees harmless from, and indemnify them for, any and all liability, settlements, loss, costs, and expenses, including attorney fees, in connection with any action, suit, or claim caused or alleged to be caused by the negligent acts, omissions, activities or services by Contractor, or the agents, Contractors or employees of Contractor provided pursuant to this Agreement.

(b) Workers' Compensation Coverage. Contractor certifies that Contractor has qualified for workers' compensation as required by the State of Oregon. Contractor shall provide the Owner, within ten (10) days after execution of this Agreement, a certificate of insurance evidencing coverage of all subject workers under Oregon's workers' compensation statutes. The insurance certificate and policy shall indicate that the policy shall not be terminated by the insurance carrier without thirty (30) days' advance written notice to City. All agents or Contractors of Contractor shall maintain such insurance.

(c) Comprehensive, General, and Automobile Insurance. Contractor shall maintain comprehensive general and automobile liability insurance for protection of Contractor and City and for their directors, officers, agents, and employees, insuring against liability for damages because of personal injury, bodily injury, death, and broad-form property damage, including loss of use, and occurring as a result of, or in any way related to, Contractor's operation, each in an amount not less than $2,000,000 combined, single-limit, per-occurrence/annual aggregate. Such insurance shall name City as an additional insured, with the stipulation that this insurance, as to the interest of City, shall not be invalidated by any act or neglect or breach of this Agreement by Contractor.

14. Legal Expenses. In the event legal action is brought by City or Contractor against the other to enforce any of the obligations hereunder or arising out of any dispute concerning the terms and conditions hereby created, the losing party shall pay the prevailing party such reasonable amounts for attorney fees, costs, and expenses as may be set by a court. "Legal action" shall include matters subject to arbitration and appeals.

15. Severability. The parties agree that, if any term or provision of this Agreement is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected.

16. Number and Gender. In this Agreement, the masculine, feminine or neuter gender, and the singular or plural number, shall be deemed to include the others or other whenever the context so requires.

17. Captions and Headings. The captions and headings of this Agreement are for convenience only and shall not be construed or referred to in resolving questions of interpretation or construction.

STANDARD CONDITIONS TO OREGON CITY PERSONAL SERVICES AGREEMENT

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18. Hierarchy. The conditions contained in this document are applicable to every Personal Services Agreement entered into by the City of Oregon City in the absence of contrary provisions. To the extent there is a conflict, the terms of the Personal Services Agreement will control over the terms of the standard conditions. To the extent there is a conflict between the terms of the standard conditions and any other document, including the scope of services, the terms of the standard conditions shall control those other terms.

19. Calculation of Time. All periods of time referred to herein shall include Saturdays, Sundays and legal holidays in the State of Oregon, except that, if the last day of any period falls on any Saturday, Sunday or legal holiday, the period shall be extended to include the next day that is not a Saturday, Sunday or legal holiday.

20. Notices. Any notices, bills, invoices, reports or other documents required by this Agreement shall be sent by the parties by United States mail, postage prepaid, or personally delivered to the addresses listed in the Agreement attached hereto. All notices shall be in writing and shall be effective when delivered. If mailed, notices shall be deemed effective forty-eight (48) hours after mailing, unless sooner received.

21. Nonwaiver. The failure of City to insist upon or enforce strict performance by Contractor of any of the terms of this Agreement or to exercise any rights hereunder shall not be construed as a waiver or relinquishment to any extent of its rights to assert or rely upon such terms or rights of any future occasion.

22. Information and Reports. Contractor shall, at such time and in such form as City may require, furnish such periodic reports concerning the status of the project, such statements, certificates, approvals, and copies of proposed and executed plans and claims, and other information relative to the project as may be requested by City. Contractor shall furnish City, upon request, with copies of all documents and other materials prepared or developed in relation with or as a part of the project. Working papers prepared in conjunction with the project are the property of City, but shall remain with Contractor. Copies as requested shall be provided free of cost to City.

23. City's Responsibilities. City shall furnish Contractor with all available necessary information, data, and materials pertinent to the execution of this Agreement. City shall cooperate with Contractor in carrying out the work herein and shall provide adequate staff for liaison with Contractor.

24. Arbitration.

All disputes arising out of or under this Agreement shall be timely submitted to nonbinding mediation prior to commencement of any other legal proceedings. The subsequent measures apply if disputes cannot be settled in this manner.

(a) Any dispute arising out of or under this Agreement shall be determined by binding arbitration.

(b) The party desiring such arbitration shall give written notice to that effect to the other party and shall in such notice appoint a disinterested person of recognized competence in the field as arbitrator on its behalf. Within fifteen (15) days thereafter, the other party may, by written notice to the original party, appoint a second disinterested person of recognized competence as arbitrator on its behalf. The arbitrators thus appointed shall appoint a third disinterested person of recognized competence, and the three arbitrators shall, as promptly as possible, determine such matter, provided, however, that:

(i) If the second arbitrator is not appointed as described above, then the first arbitrator shall proceed to determine such matter; and

(ii) If the two arbitrators appointed by the parties are unable to agree, within fifteen (15) days after the second arbitrator is appointed, on the appointment of a third arbitrator, they shall give written notice of such failure to agree to the parties and, if the parties fail to agree on the selection of the third arbitrator within fifteen (15) days after the arbitrators appointed by the parties give notice, then, within ten (10) days thereafter, either of the parties, on written notice to the other party, may request such appointment by the presiding judge of the Clackamas County Circuit Court.

(c) Each party shall each be entitled to present evidence and argument to the arbitrators. The determination of the majority of the arbitrators or the sole arbitrator, as the case may be, shall be conclusive on the parties, and judgment on the same may be entered in any court having jurisdiction over the parties. The arbitrators or the sole arbitrator, as the case may be, shall give written notice to the parties, stating the arbitration determination, and shall furnish to each party a signed copy of such determination. Arbitration proceedings shall be conducted pursuant to ORS 33.210 et seq. and the rules of the American Arbitration Association, except as provided otherwise.

(d) Each party shall pay the fees and expenses of the arbitrator appointed by such party and one-half of the fees and expenses of the third arbitrator, if any.

25. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the state of Oregon without resort to any jurisdiction's conflicts of law, rules or doctrines.

Oregon City Urban Renewal Agency
Proposed Biennial Budget
July 1, 2021 through June 30, 2023

Introduction

The Oregon City Urban Renewal Agency's 2021-2023 Proposed Biennial Budget is balanced and has been prepared in accordance with Oregon Budget Law. For the period July 1, 2021 through June 30, 2023, the total budget is $9,701,811.

The Agency is a separate legal entity from the City of Oregon City that is established under State law. Oregon Revised Statues 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 appeal to the Oregon Court of Appeals. The City is awaiting a decision from the Court of Appeals.

At a meeting of the Urban Renewal Commission on August 19, 2020, the Commission decided to retire all outstanding bonded indebtedness of the Urban Renewal Agency as soon as practicable. As of December 1, 2020, the Urban Renewal Agency had retired all its outstanding bonded indebtedness.

The budget does not include funding for any new urban renewal projects. The Commission has clearly stated their intent to comprehensively review the value of urban renewal as a tool to eliminate blight and enhance the downtown area. It is very important to the Commission to engage residents to determine acceptable uses for the Agency.

Budget Highlights

The proposed budget is funded by total biennial revenues of $6.6 million (excluding beginning fund balance), 95% of which are from property taxes. Revenues increased by $482,500, or 8%, over the previous budget. Tax increment increases are budgeted at 4.5% for each year of the biennium. Other revenue sources include income from property rentals and investment income.

Projected spending for the biennium totals $792,000 and is comprised of minimum operating and legal costs. Finally, the budget includes costs to operate Agency owned rental properties. A reserve for future expenditure of $8.9 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

Anthony J. Konkol III
Executive Director, OCURA

Oregon City Urban Renewal Agency
Proposed Biennial Budget
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Urban Renewal	2015-2017 Actual	2017-2019 Actual	2019-2021 Amended Budget	2021-2022 Proposed Budget	2022-2023 Proposed Budget	2021-2023 Proposed Biennium
Resources						
Beginning Fund Balance	$ 3,378,071	$ 3,399,456	$ 5,403,980	$ 3,073,311	$ 5,928,311	$ 3,073,311
Property Taxes	4,589,259	5,390,098	5,759,000	3,096,000	3,191,500	6,287,500
Rental Income	144,669	164,347	207,000	110,000	111,000	221,000
Interest Income	73,794	217,125	180,000	30,000	60,000	90,000
Other Income	-	95,000	-	15,000	15,000	30,000
Total Resources	**$ 8,185,793**	**$ 9,266,026**	**$ 11,549,980**	**$ 6,324,311**	**$ 9,305,811**	**$ 9,701,811**
Requirements						
Agency Administration	$ 372,473	$ -	$ 440,000	$ 220,000	$ 220,000	$ 440,000
Legal & Consultant Services	120,679	5,537	120,000	120,000	120,000	240,000
Rental Expenses	59,465	49,628	80,000	50,000	50,000	100,000
Cost Reimbursement	-	-	867,490	-	-	-
Operating Materials and Supplies	19,860	7,856	-	6,000	6,000	12,000
Administrative Supplies	335	-	-	-	-	-
Community Programs and Grants	397,450	120,000	-	-	-	-
Capital Outlay	515,256	395,038	300,000	-	-	-
Principal and Interest	3,300,819	3,219,159	8,549,386	-	-	-
Operating Contingency	1,464,635	59,718	127,000	5,928,311	8,909,811	8,909,811
Reserved for Future Expenditure	1,934,821	5,409,090	1,066,104	-	-	-
Total Requirements	**$ 8,185,793**	**$ 9,266,026**	**$ 11,549,980**	**$ 6,324,311**	**$ 9,305,811**	**$ 9,701,811**

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.
- All outstanding bonded indebtedness was retired in the current biennium. There are no anticipated Principal and Interest costs in the next biennium.

Note - 2021-2023 Proposed Biennium column amounts for Beginning Fund Balance, Operating Contingency and Reserved for Future Expenditure do not add across. This is intentional as they represent balances at a specific point in time (beginning or ending of the budget period).