CITY OF OREGON CITY
URBAN RENEWAL COMMISSION
AGENDA

Virtual Meeting
Tuesday, January 26, 2021 at 6:00 PM

VIRTUAL MEETING OF THE URBAN RENEWAL COMMISSION

This meeting will be held online via Zoom and streamed live on the City's YouTube; For participation in the meeting, please contact recorderteam@orcity.org.

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

CALL TO ORDER

ROLL CALL

CITIZEN COMMENTS

Citizens are allowed up to 3 minutes to present information relevant to the City. Prior to speaking, citizens shall complete a comment form and deliver it to the City Recorder. The Commission does not generally engage in dialog with those making comments but may refer the issue to the City Manager. Complaints shall first be addressed at the department level prior to addressing the Commission.

DISCUSSION ITEM

1. Election of Chair for 2021

2. The Next Phase of the Urban Renewal Public Engagement Process as Presented by The Leland Consulting Group

3. Minutes of the September 16, 2020 Regular Meeting

4. Minutes of the October 7, 2020 Regular Meeting

5. Minutes of the December 2, 2020 Regular Meeting

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

Staff Report

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

To: Urban Renewal Commission **Agenda Date:** 01/26/2021

From: City Recorder Kattie Riggs

SUBJECT:

Election of Chair for 2021

STAFF RECOMMENDATION:

Staff recommends the Commission elect a Chair for 2021.

EXECUTIVE SUMMARY:

At the beginning of each year the Urban Renewal Commission elects a Chair and Vice Chair to serve the entire year. At the Urban Renewal Commission meeting on October 21, 2020, the Commission elected Shawn Cross to serve as the Vice Chair for the remainder of 2020 and for all of 2021. The Commission now needs to elect a Chair for 2021.

BACKGROUND:

Resolution No. UR12-03 sets guidelines for the Urban Renewal Commission related to the election of its chair and vice chair. Below are excerpts from the bylaws to provide guidance related to the election.

ARTICLE III -OFFICERS AND PERSONNEL

Section 1. Officers: The officers of the Urban Renewal Commission shall be a chair and vice chair. Officers, who may be members of the City Commission except that the Mayor may not be an officer. At least one of these officers during any given term should not be a City Commissioner.

Section 2. Chair: The chair shall be elected by the Board members of the Urban Renewal Commission and shall preside at all meetings of the Agency Board. Except as otherwise authorized by Board Members, the chair shall sign all contracts, deeds, and other instruments made by the Agency.

Section 3. Vice Chair: The vice chair shall be elected by the Board members of the Urban Renewal Commission and shall perform the duties of the chair in the absence or incapacity of the chair; and in case of resignation or death of the chair, the vice chair shall perform such duties as are imposed on the chair until such time as the Board shall elect a new chair.

Section 4. Executive Committee: The Mayor, the Chair and Vice Chair shall comprise the Executive Committee of the Urban Renewal Commission. They shall assist and advise the City Manager where requested in Urban Renewal Commission business matters, Urban Renewal Commission briefings, project review and agenda preparation. The Executive Committee shall perform such other duties and functions as may from time to time be required by the Urban Renewal Commission or by the by-laws or rules and regulations of the Agency.

Section 5: Election or Appointment: The chair and vice chair shall be elected annually by the Board members at the first regular meeting of the Urban Renewal Commission each year, and shall hold office for one year or until their successors are elected and qualified.

OPTIONS:

1. Elect a Chair for 2021.

Urban Renewal Commission Resolution No. UR12-03

Resolution of the Oregon City Urban Renewal Commission
Approving and Adopting Urban Renewal Commission By-Laws

WHEREAS, the Oregon City Urban Renewal Commission acting by and through the City of Oregon City, Oregon, pursuant to the provisions of Chapter 457 of the Oregon Revised Statues is the duly appointed Urban Renewal Commission of the City of Oregon City, Oregon:

WHEREAS, the Urban Renewal Commission wishes to adopt a set of by-laws to govern the conduct and business of the Urban Renewal Commission;

NOW, THEREFORE, BE IT RESOLVED by the Oregon City Urban Renewal Commission that:

ARTICLE I -AUTHORITY

Section 1. Name: The name of the Urban Renewal Agency shall be the Oregon City Urban Renewal Commission hereinafter referred to as "Urban Renewal Commission."

Section 2. Office: The office of the Urban Renewal Commission shall be the City Hall of the City of Oregon City, Oregon, or as mutually agreed to by the City Commission of Oregon City and the Oregon City Urban Renewal Commission.

Section 3. Powers and Duties of the Commission: The powers and duties of the Urban Renewal Commission shall be as provided by Chapter 457 of the Oregon Revised Statues and Oregon City Charter and as authorized by the Oregon City Commission in accordance with Ordinance No. 08-1005, adopted by the City Commission of Oregon City as amended on March 19, 2008, and as further amended by Ordinance No. 12-1005 on July 18, 2012.

ARTICLE II -BOARD MEMBERS

Section 1. Urban Renewal Commission Membership: The Board of the Urban Renewal Commission will be composed of (7) voting Urban Renewal Commission members. Five (5) Urban Renewal Commission members shall be members of the City Commission of Oregon City and two (2) Urban Renewal Commission members shall be citizen representatives appointed by the City Commission from the electors of the City on an at-large basis:

Section 2. Terms of Citizen Members: Citizen members of the Urban Renewal Commission will serve a term of four years, except that the term of the first citizen member appointed to the seven member Urban Renewal Commission shall be for two years to ensure that terms will be staggered. Any board member, with the exception of a City Commission member, may be removed by a majority vote of all members of the Urban Renewal Commission.

Section 3. Lack of Participation: Any Board member, with the exception of a City Commission member, may be removed by a majority vote of all members of the Urban Renewal Commission for non-participation, which shall be defined as absence from three consecutive meetings without notice to the chair or vice-chair.

ARTICLE III -OFFICERS AND PERSONNEL

Section 1. Officers: The officers of the Urban Renewal Commission shall be a chair and vice chair. Officers, who may be members of the City Commission except that the Mayor may not be an officer. At least one of these officers during any given term should not be a City Commissioner.

Section 2. Chair: The chair shall be elected by the Board members of the Urban Renewal Commission and shall preside at all meetings of the Agency Board. Except as otherwise authorized by Board Members, the chair shall sign all contracts, deeds, and other instruments made by the Agency.

Section 3. Vice Chair: The vice chair shall be elected by the Board members of the Urban Renewal Commission and shall perform the duties of the chair in the absence or incapacity of the chair; and in case of resignation or death of the chair, the vice chair shall perform such duties as are imposed on the chair until such time as the Board shall elect a new chair.

Section 4. Executive Committee: The Mayor, the Chair and Vice Chair shall comprise the Executive Committee of the Urban Renewal Commission. They shall assist and advise the City Manager where requested in Urban Renewal Commission business matters, Urban Renewal Commission briefings, project review and agenda preparation. The Executive Committee shall perform such other duties and functions as may from time to time be required by the Urban Renewal Commission or by the by-laws or rules and regulations of the Agency.

Section 5: Election or Appointment: The chair and vice chair shall be elected annually by the Board members at the first regular meeting of the Urban Renewal Commission each year, and shall hold office for one year or until their successors are elected and qualified.

Section 6. Vacancies in Office: Should the offices of the chair or vice chair become vacant, the Board shall elect a successor from its members at the next regular meeting and such election shall be for the unexpired term of such office.

Section 7. Personnel: The City Manager of Oregon City will be the executive director for the Urban Renewal Commission. The Executive Director or appointed designate shall keep the records of the Agency, record all votes, keep a record of the proceedings of the Commission, and perform all duties incident to the office and other duties and functions as may from time to time be required by the Commission, by-laws or rules and regulations of the Agency.

ARTICLE IV -MEETINGS

Section 1. Regular Meetings: Regular meetings shall be in accordance with ORS Chapter 192. All meetings shall be held in the City Commission Chambers in Oregon City, or at such other place as the chair shall determine. The Urban Renewal Commission shall meet on the first Wednesday of each month beginning at 5:00 p.m., when necessary. The Executive Director shall determine whether sufficient business exists for a meeting and notify each member through email of the meeting as well as arrange for official public notice of the meeting.

Section 2. Special Meetings: The Executive Director or Executive Committee of the Urban Renewal Commission may call a special meeting of the Commission to be held between regular meetings if a need exists for Commission action. Special Meetings may also be held at any time by the unanimous consent of all members of the Urban Renewal Commission.

Section 3. Quorum: A quorum of the Urban Renewal Commission will consist of four (4) members. Except as otherwise provided by law or in these bylaws, all decisions of the Urban Renewal Commission will require a simple majority of a Commission quorum.

Section 4. Open Meetings: All Meetings shall be open to the public, except that any portion of a meeting may be held in Executive Session if such session is in conformity with ORS Chapter 192.

Section 5. Decorum: All rules of order not herein provided for or provided for by resolution shall be determined in accordance with Roberts Rules of Order, Newly Revised.

ARTICLE V -FINANCIAL

Section 1. Separate Fund: A separate fund or funds of the City of Oregon City shall be established for the Commission. All disbursements from these funds shall follow the regular disbursements procedures of the City of Oregon City.

Section 2. Budget: Budget procedures shall be in compliance with state budget laws.

Section 3. Audit: An annual audit of the fund or funds of the Urban Renewal Commission shall be performed by the auditor of the City of Oregon City using the same procedures as are used for all other funds of the City and in accordance with state audit laws.

ARTICLE - AMENDMENTS

Section 1. Amendment to By-Laws: The by-laws of the Urban Renewal Commission shall be amended only with the approval of a majority of all members of the Urban Renewal Commission at a regular or special meeting.

Adopted, signed and approved this 1st day of August 2012.

Chair of the Urban Renewal Commission

Attested to this 1st day of August 2012:

Kelly Burgoyne, asst. City Recorder
for Nancy Ide, City Recorder

Approved as to legal sufficiency:

City Attorney

CITY OF OREGON CITY

Staff Report

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

To: Urban Renewal Commission **Agenda Date:** 01/26/2021

From: City Manager Tony Konkol

SUBJECT:

The Next Phase of the Urban Renewal Public Engagement Process as Presented by The Leland Consulting Group

STAFF RECOMMENDATION:

Accept the recommendations to move to the next phase in the public engagement process as presented by the Leland Consulting Group.

EXECUTIVE SUMMARY:

On August 5, 2020, the Urban Renewal Commission voted to approve the Leland Consulting Group Public Service Agreement ("PSA"). As part of the PSA's kickoff, the Agreement calls for the development of a public involvement plan and to present the plan to the Urban Renewal Commission.

The Leland Group initiated its first public engagement activity with the hosting of its first community meeting on October 29, 2020. In addition, a series of Town Halls hosted by each Urban Renewal Commissioner have been created. This phase collected questions and comments from the community at large, which helped refine key messages and informational materials, and gauge interest in key topics.

The next phase of engagement will build upon this foundation of education and allow more in-depth discussion to identify and establish community priorities. This will lead to the final phase of the study that will review options and a decision for the District.

BACKGROUND:

Urban Renewal Commissioners, some stakeholders, and some members of the general public have expressed reservations about how the City's Urban Renewal District has been utilized in the past and whether Urban Renewal is a program to continue in the City. The Urban Renewal Commission directed the City Manager to distribute a "request for proposals" (RFP) to facilitate a public process that provides an opportunity for the community to learn about Urban Renewal, provide input about the program and explores whether the Urban Renewal District should or should not be used as development strategy moving forward.

A Request for Proposals (RFP) was advertised for consulting services to provide a wide array of public involvement methods and tools to educate and engage the community about Urban Renewal as an economic development tool, receive input from the community, and achieve consensus around a path forward for the continuation or closure of the Urban Renewal District.

The City received two responses to the RFP and the staff selected the Leland Consulting Group's proposal for approval by the Urban Renewal Commission to implement this project.

With the concurrence of the Urban Renewal Commissioners, the City Manager and the Economic Development Manager met with the Leland Consulting Group to revise the proposal to ensure that a more robust public engagement process be included in the Agreement. It was the desire of the Urban Renewal Commissioners to be directly involved along with the public during the process of evaluating the direction of the Urban Renewal District.

The Urban Renewal Commission voted unanimously on March 18, 2020 to delay the implementation of the Agreement due to the COVID-19 Virus and to have the City Manager to bring the Agreement back to the Urban Renewal Commission to move forward.

On August 5, 2020, the Urban Renewal Commission voted to approve the Leland Consulting Group Public Service Agreement ("PSA"). The Agreement calls for the crafting of a public involvement plan and to present the plan to the Urban Renewal Commission as the part of the contract's kickoff.

The Leland Group initiated its first public engagement activity with the hosting of its first community meeting on October 29, 2020. In addition, a series of Town Hall Meetings hosted by each Urban Renewal Commissioner was conducted starting on November 9, 2020 and concluding on December 15, 2020.

In addition, a series of interviews were conducted with the overlapping taxing districts for the Oregon City Downtown/North End Urban Renewal District. These interviews were helpful because they helped to inform the development of educational materials by identifying potential areas of agreement and issues that require more information and further discussion.

Hence, the next phase of engagement will build upon the education foundation laid and allow more in-depth discussion to identify and establish community priorities. Educating stakeholders and the public about Urban Renewal will eventually lead to the final phase of the study that will review options and a decision on the District which may include establishing community priorities, exploring various options for the District, and identifying a desired path forward.

OPTIONS:

1. Review and accept the next phase of public engagement as presented by the Leland Consulting Group.
2. Do not accept the next phase of public engagement as presented by the Leland Consulting Group.

BUDGET IMPACT:

Amount:	$82,911.00
FY(s):	2020-2021
Funding Source(s):	Urban Renewal

Oregon City Urban Renewal Study

Outreach Summary of Phase 1: Education

Date January 2021

To James Graham, Oregon City

From Sam Brookham, Leland Consulting Group
Andy Parks, GEL Oregon
Anais Mathez, 3J Consulting

I. Introduction

Overview

Initial outreach during the *Community Engagement, Education and Plan Review* phase of the Urban Renewal Study focused on broad education about urban renewal as a tool for economic development and how it has been used in Oregon City. The engagement activities during this initial stage provided multiple forums to review general information about urban renewal and the District, collect questions and concerns, and become familiar with the overall project.

The purpose of this memo is to describe the activities that constituted this initial phase of education and identify and respond to the key questions that were raised. This will help inform the next steps, which will focus on establishing community priorities, exploring various options for the District, and identifying a desired path forward.

Education Materials

Various informational materials were used to support broad education about the topic of urban renewal in Oregon City, as well as promote opportunities to get involved. A project webpage was developed and hosted on the City's website. The page included a project overview and timeline, important contacts, a schedule of opportunities for engagement, a library of documents, and mechanisms to submit general comments.

Key education materials included a two-page FAQ sheet and a PowerPoint presentation for community meetings and presentations. The materials were designed to educate the public about the Oregon City Downtown/North End Urban Renewal Plan, including URA year of establishment, timeline, boundaries, potential impacts and benefits, and types of projects. The content was framed around the following questions:

- What is this project?
- What is urban renewal?
- How is an Urban Renewal Plan financed?
- When does it make sense to use urban renewal?
- What can urban renewal pay for and what can it not pay for?
- What types of projects are typically completed?
- How has urban renewal been used in Oregon City?

The materials were designed to be accessible and easily circulated online. All materials and activities helped drive community members to the website for more information and to learn about future opportunities for participation.

II. Engagement Activities

The following activities constituted this initial phase of engagement:

- (7) stakeholder interviews with affected taxing districts
- (1) Community Meeting Q+A
- (1) Community Presentation to the Chamber/DOCA
- (6) Town Hall drop-in sessions
- (1) Online Survey

The following sections provide a brief overview of each activity. Questions and comments received throughout these activities are detailed in Section III.

Stakeholder Interviews

A series of stakeholder interviews were conducted with the overlapping taxing districts for the Oregon City Downtown/North End Urban Renewal District. While the Plan was implemented more than 13 years ago, the District has underperformed economically relative to expectations. Given that the taxing districts forego varying amounts of tax revenue during the course of the Plan, they have a major stake in the performance of the district.

The consultant team interviewed seven overlapping taxing districts that included the Oregon City School District, Clackamas County, Oregon City Fire District, Clackamas Community College, Metro, Port of Portland, and Vector Control.

These interviews helped inform the development of educational materials by identifying potential areas of agreement and issues that require more information and further discussion. While the interviews were largely conversational, the consultant team centered the discussion around five key questions:

- Are you familiar with the Downtown Oregon City/North End Urban Renewal District?
- Do you understand the impact of the District on your annual revenue?
- Do you understand the timeline of the Plan and your projected revenue upon the District’s closure?
- Has the urban renewal plan benefitted your organization? Are there future opportunities for urban renewal to benefit your organization?
- Are you aware of any specific capital projects or public buildings that could be partially or fully funded with tax increment financing to meet your service needs?

While most interviews centered around elements specific to each taxing district, several themes emerged. These themes are summarized below. Detailed notes from each of the interviews are found in Appendix A.

- Most taxing districts believe a greater return on public investment is important.

- While staff is generally supportive, there are limited instances of hesitance/opposition for urban renewal from board members.
- Equity and inclusion should be part of the Plan.
- There is potential for urban renewal to assist with public buildings, but further analysis and discussions are required.
- Boundary amendments should be considered, particularly regarding the waterfront/Blue Heron site.

Community Meeting and Presentations

On October 29, 2020, the City hosted a virtual Community Meeting to provide education and information about urban renewal as a tool for economic development. The community meeting was recorded and conducted in a Zoom Webinar format and questions were received electronically. There were approximately 15 attendees who provided comments and posed questions, which are listed with responses in Section III. The audio/video recording of the meeting was posted to the project webpage.

On December 8, 2020, a virtual Community Presentation was made to the Chamber of Commerce and the Downtown Oregon City Association (DOCA). There were approximately 20 attendees who provided comments and posed questions, which are listed with responses in Section III. The session was not recorded by the Chamber/DOCA.

Town Halls

Town Halls were hosted by an Urban Renewal Commissioner and held virtually throughout November and December. The purpose of these town halls was to provide “drop-in” hours for community members to meet with their Commissioners and ask the project team questions and clarifications about urban renewal and how it has been used in Oregon City. These sessions did not include a formal presentation, rather building upon the education and information materials presented at the community meeting and provided online. Collectively, the Town Halls attracted approximately 30-35 attendees, including project staff and commissioners. All sessions were recorded and posted to the project webpage.

Online Survey

An online survey was launched in October 2020 to further extended outreach efforts and provide an additional avenue for the community to provide comments and ask questions about urban renewal. The online survey was posted as a link on the project website, as well as shared at the end of each Community Meeting, Presentation, and Town Hall. The survey included an informational section providing brief facts about urban renewal and how it has been used in Oregon City. The survey consisted of three (3) open-ended questions and two (2) multiple choice questions.

1. Do you have any questions about urban renewal?
2. Do you think urban renewal is a tool the City should consider using in the future?
3. If this was a tool that Oregon City used, what types of projects would you like to see it dedicated toward? [list of options]
4. If this is not a tool that Oregon City should use, what alternatives should the City consider to help implement projects?

5. Is there anything else you'd like to share?

As of January 13, 2021, 42 community members responded to the survey. Responses consisted of the following themes:

- **Respondents support the continued use of urban renewal** in Oregon City (75% of survey respondents identified a continuation of urban renewal in Oregon City).
- Approximately 75% of respondents indicate **future urban renewal funds should aid in development assistance programs**, such as store/façade improvement grants, development incentives, and historic preservation projects.
- Similarly, 64% of **respondents call for site-specific project support**, with some respondents writing in support for the continued development of Willamette Falls, downtown, and the Rossman site.
- There was also support for funds to **focus on transportation infrastructure**, including bicycle and pedestrian amenities, and streetscape beautification projects.
- While only 11 survey respondents provided alternatives to urban renewal, among the most suggested **alternatives were reduced SDC's and emphasis on private investment**.
- The survey revealed the **desire for greater accountability and transparency**. Several respondents want to see more accountability from URA leadership and transparency regarding urban renewal processes.
- Respondents also **desire further performance/evaluative measures** of urban renewal fund recipients and projects with two distant goals –either to ensure urban renewal funds benefit Oregon City residents, especially those from historically marginalized backgrounds, or to ensure fiscal responsibility and financial returns on investments.

All questions about urban renewal that were received through the online survey are listed with responses in Section III. See Appendix B for the raw data output of the survey.

III. Summary of Questions and Answers

Questions from the Community Meeting, Community Presentations, and Town Halls

Procedural

- **Can cities have any number of urban renewal districts/areas? Or is it restricted?** Cities are not limited to the number of urban renewal districts they can have, as long as the total area of all urban renewal districts does not exceed 25 percent of the total area of the City and the total assessed value of property within urban renewal districts does not exceed 25 percent of the total assessed value of the City.
- **Could we potentially place an end date on this urban renewal district?** The City can place an end date on the district.
- **Please define the term "substantial amendment."** The statutes (ORS 457.085) define two types of amendments that must be considered "substantial" and must be adopted in the same manner as the adoption of the original urban renewal plan. These amendments are: 1) Increasing the size of the URA by more than one percent (1%), and 2) Increasing the maximum amount of indebtedness that may be issued or incurred under the urban renewal plan.
- **Are adding and removing projects from the list considered a major or minor amendment?** Minor amendments can include changes to projects, programs, goals, objectives, additions of land that are not in

excess of 1.0% of the total land area of the urban renewal area, acquisition, and identification of public purpose for any new project that includes a public building.

- **How are the selected areas nominated and chosen? Who controls that process? Is this info readily available to the public?** The justification for the urban renewal area is described in the 2007 Urban Renewal Plan and Urban Renewal Report. Both are publicly available. The Oregon City Urban Renewal Authority controls the process, as directed by City Council and executed by City staff.

Boundary Adjustments

- **Is there a maximum size adjustment that can be made to an existing urban renewal district?** A plan can be amended to expand the urban renewal area by up to 20 percent. A minor amendment is required for a boundary amendment that increases the total area by no more than one percent (1%). A substantial amendment is required for any adjustment that increases the total area by more than one percent (1%).
- **If we were to add one percent (1%) to the existing district, would we also have to remove 15 percent from the existing district?** Per the answer above, the City can add up to 1.0% (8.55 acres) to the total existing area (855 acres) without triggering the need for a substantial amendment. There is no need to remove areas from the existing district unless the City wants to include an area greater than 1.0% *without* triggering the substantial amendment. In this scenario, the City would remove area(s) from the existing areas roughly equal to the new area(s).
- **Can a single urban renewal district be formed that consists of multiple non-contiguous areas (islands)?** Yes, but it is not common. A City can add an area only if there is a direct relationship between the two areas. A direct relationship could be that the areas support each other in their activities, or that they are both commercial districts, so are like in nature. Typically, "islands" can be connected with a public right-of-way.
- **If an urban renewal district were to be formed that encompassed the Blue Heron Mill site, now owned by the Confederated Tribes of the Grand Ronde, who have not asserted national sovereignty, does that partnership give any cause for concern?** It depends. The risk associated with the decision to assert national sovereignty can be mitigated via agreements, such as payment of lieu of taxes (PILOT); however, both parties must be agreeable to its terms. In other words, the City is unable to *require* the Tribe to pay PILOT.

District Closure

- **Should an existing urban renewal district be closed, what happens to the funds gathered during the life of that district?** Any remaining funds may be used for Plan-related activities and or returned to the taxing districts.
- **Would a city ever close a district and establish a similar district again as a way to reset the baseline tax rate so that the long-term impact to other districts is minimized?** Closing a district and establishing/creating a new district would lead to resetting the frozen base, which would result in all overlapping taxing districts receiving the financial benefit of the taxable assessed value of the previously frozen base and the new frozen base. A city could close a district and establish a new district; however, doing so would likely defer projects in the Plan by 10 or more years. The cost to form a new district would also be an additional cost to the district.
- **What is the typical term when districts are closed?** 20-30+ years
- **If the current URA is closed, how difficult would it be and in cost, to start new targeted URA's with new boundaries and include current owned URA properties and transfer them into these new URA entities?** Generally, assets of the URA are transferred to the municipality upon closure if not sold. The creation of new targeted URAs requires time and money, for planning purposes, approximately 12-18 months and $75,000-$200,000+, depending on the complexities of the district and the public process.

- **What would be the approximate amount of the distribution of the Tax Revenue from those Assessed Property Tax Revenue Dollars and to which entities in 2021 - 2022 Tax Year?**
    - City $ 950,000
    - Clackamas County 518,000
    - County Library 85,600
    - Metro 20,800
    - Vector 1,400
    - 4-H 10,800
    - County Soils 10,800
    - Clackamas Fire 517,500
    - Port of Portland 15,100
    - Clackamas Comm Coll 120,300
    - ESD 79,500
    - Oregon City Schools 1,069,600[1]
- **What other available funding mechanisms exist?** Cities can increase property tax via local option levies, gas taxes, other taxes and/or charges for services and fees. They can also reduce levels of service or redirect dollars from existing revenues, or simply rely on the private sector. For affordable housing, Low Income Housing Tax Credits (LIHTC) are one of the most popular mechanisms available. For economic development and new jobs, several state and federal programs are available to assist in significant building improvements or new development that are focused on job creation, including New Market Tax Credits, Opportunity Zones, Enterprise Zones.
- **Has there been an assessment of the impacts to the City of Oregon City if the urban renewal area is shut down and those Property Tax Revenues go to funding higher and greater needs of the City of Oregon City?** Financial impacts are noted above. It is a policy decision on whether those dollars would go to higher and greater needs.

Financial

- **What is the maximum indebtedness?** $130,100,000
- **How much Urban Renewal money is available?** $108.9 million remains in maximum indebtedness.
- **What would including all or part of the Blue Heron site mean for TIF generation and urban renewal more generally?** Although considerable evaluation and analysis are necessary to fully address this question, at a very high level, the inclusion of the Blue Heron site could result in significant TIF generation, providing considerable resources to assist with the redevelopment of this area.
- **What would be the potential impacts to the urban renewal District if the land recently purchased by the Grand Ronde became sovereign?** As presently established, there would be little to any impact. If the boundary were expanded to include the area and later the Tribe decided to change the property to sovereign holdings, revenue from property taxes generated from the incremental increase in assessed value would be lost. In order to issue debt, it would be necessary to have an agreement in place that addressed this issue.
- **What are the implications for including the Riverwalk Easement?** Any tax generation or other impacts would depend on the tax status of the property owner and the assessed value of the property. If the property is tax

[1] No additional net revenue to the School District. Additional property taxes would reduce State funding.

exempt, there would be no tax revenue generation for TIF. Regardless of the tax status, including the area in the district provides the ability to invest UR dollars on the project.

- **Does the ability to generate a return on urban renewal suffer from the current state law on a 3% maximum rise on the value of property?** To the extent that real market value (RMV) has grown considerably faster than TAV (taxable assessed value) subject to the 3% limitation, yes. However, increasing ROI relative to current performance is a matter of realizing accelerated development and redevelopment within the URA.
- **Does an urban renewal district maximize its return on investment by developing bare land or improving existing buildings?** Individual developments/redevelopments vary and this would impact ROI on a project by project basis. Generally speaking, however, there are greater increases to TAV from development on bare land than incremental improvements to existing buildings. The ROI would be impacted by how much urban renewal investment was necessary to facilitate the development on bare land vs what may be needed to facilitate redevelopment of existing improvements.
- **Was the 1990 URA Assessed Tax Value Frozen Base ever reset/changed from when it was established, and are we still currently calculating the gain off of this 1990 URA Frozen Assessed Property Tax Value?** The frozen base was reestablished in 2007 with the 10th amendment to the Downtown / North End Urban Renewal Plan. That amendment was a substantial amendment.
- **What was the Property Tax Value Frozen Base at the time of the 2007 major URA Revision with the new boundaries and properties added to the Downtown - North End and S. End URA District?** $50,565,000
- **Oregon City's Urban Renewal Agency was started Oct. 5th, 1983 and the current one was restarted in 1990 and what was the Assessed Property Taxes Value Frozen Base within the Downtown URA boundary?** A new district created in 1990. That district's plan was substantially amended in 2007. The frozen base was adjusted in 2007 to $50,665,000. The incremental value in 2007 was $81,098.
- **What grants and projects in the URA Boundary have resulted in creating new Property Tax reassessments of Assessed Property Tax Value, over and above the 3% that is automatically – annually added on?** Three percent is not automatically added annually. Three percent is the limit by which assessed value may increase. We have a schedule of projects I believe from the City.
- **In accounting, are there annual ledgers on all expenditures and can they be made available for audit, to where the public/citizenry can see how these URA Tax Dollars have been spent - invested?** City to provide answer.
- **How much does it cost to support the City Hall property annually (which is an urban renewal property)?** City to provide answer.
- **What is our debt structure and when will we be at a zero balance to pay off any indebtedness that we owe?** The City paid off the remaining debt as of December 1, 2020
- **Why haven't we paid off our debt sooner rather than later since there is no penalty?** As noted above the City chose to pay off the debt in December 2020. A reason to not pay off the debt is to use available monies to fund projects.

Taxes

- **When funds are diverted to tax increment, what is the effect on entities such as fire districts and school funding?** During the life of the URA, overlapping taxing districts receive less property tax revenue as increases in assessed value within the district create property taxes that are redirected to the URA. Schools receive offsetting funding from the State, which is paid on a per student basis. Long-term, overlapping taxing jurisdictions have historically received significantly more property tax revenue as a result of increased development within URA's that would not have occurred if not for urban renewal investment.

- **If the Urban Renewal District is closed do my taxes go down?** No. Urban renewal allows for the reallocation of growth on taxes to the urban renewal agency rather than the overlapping taxing districts (City, County, Fire District, etc.). Taxpayers in Oregon City see Urban Renewal as a line item on their tax statements … whether or not they own property inside of an urban renewal area. This line item can and does cause some confusion. The Urban Renewal line item does not represent an extra charge or result in a larger tax bill than would otherwise occur; instead, it represents a division of tax dollars, collected from all properties in an amount that equals the growth on taxes inside the urban renewal district. If urban renewal was terminated in Oregon City, general property taxes would not decrease; they would simply be reallocated to all taxing jurisdictions.
- **When urban renewal causes the pool of money that the State uses to fund schools, does this reduction in the size of the funding pool impact school funding?** In short, yes, the reduction in the size of the statewide funding pool due to urban renewal does impact local school funding. However, the impact of one urban renewal on the local school district is minimal as the impacts are distributed across all school districts in the State. Further, the impact of urban renewal on school funding is, in theory, positive if considering the long-term impacts. Property tax revenue, as well as state income taxes and other revenue, is much greater as a result of urban renewal investment than would otherwise be the case. This assumes that most urban renewal districts in Oregon stimulate economic growth in areas that would not have experienced significant growth in property taxes.
- **When would the public services such as police, fire, parks, schools, etc., receive those additional taxes?** When the URA closed, or at any time during the life of the URA, a portion of property tax funding could be realized by the overlapping taxing jurisdictions if the URA levied less than its maximum authority. For example, if the URA levied $2.0 million of its $3.0 million authority, $1.0 million would go to the overlapping taxing jurisdictions in proportion to their tax rates to the total tax rate. This is an annual decision and a decision to not levy the maximum levy does not impact future year’s maximum levy authority.

Urban Renewal Owned Property

- **What is the list of all real properties and assets currently owned by the URA and what are their values when acquired and what are they estimated to be now?** City to provide answer.
- **Why does the Urban Renewal District own homes that they lease out instead of selling?** Generally, URA acquire various parcels to assemble for later disposition to a developer. Lease income is used to service debt pending disposition.
- **What is the listed purpose or planned use of all of the retained URA properties and assets?** This is a policy-based question for the City to answer.
- **The two houses on S. Tumwater and S. 2nd owned by the URA and across from the Museum of the Oregon Territory, do we have mini-P&L on their revenue and costs: maintenance & insurance?** This is a question for the City to answer.
- **Shouldn't the City be paying fair market rental amount, plus all maintenance expense and insurance and any associated expense for the Oregon City City Hall property (owned by the URA)?** This depends on whether the URA intends to utilize this property for future redevelopment or if the redevelopment of City Hall was the planned URA investment. If the latter, the URA should deed the property to the City. The URA should not be paying any costs associated with occupancy, those should be paid by the City. The URA could pay the City administration overhead costs related to its use of the City Hall facility.
- **The two URA owned houses on S Tumwater may have higher value in a benefit analysis to the community within redevelopment in creating High Density affordable housing and is that being considered?** There is nothing in the existing plan that references the redevelopment of these two properties; however, the plan may be revised to include new projects such as this if the City determines a need.

Projects

- **What would it take to expand or create a new URA targeted at High Density Affordable Housing at the intersection of S. 2nd and High Street and Tumwater on both sides of the Street?** The existing urban renewal areas include both sides of Tumwater Drive and the north/west side of High Street at South 2nd Street. Unless the City decided to expand the boundary to include the south/east side of S 2nd Street, no boundary amendment would be required. A minor amendment would be required, however, for the City to create a new project targeting high-density affordable housing in this area. In order to create a new district in this area, either the existing district would need to close or the boundaries would need amending as two urban renewal districts cannot overlap. Creating a new urban renewal district is a comprehensive process that must include significant stakeholder engagement, a blight analysis and feasibility study, and the creation of a new urban renewal plan and report. This process typically takes around seven months.
- **It is my understanding that very little URA investment dollars were invested into the Cove Phase I Housing behind the Oregon City Shopping Center, what were the URA investments?** Approximately $3.7 million has been spent on the Clackamette Cove project since 2008 out of a total of $8.0 million in the 2007 plan. City to confirm specific investments.
- **Did the URA pay for the traffic improvements downtown?** Urban renewal has helped pay for several traffic and streetscape improvements in the downtown area. City to confirm specific investments.
- **Is the City free to begin working on a large new project?** Yes, the URA and City have debt capacity in excess of $20 million they could invest presently.

Misc

- **Are there protections in place for people who live in an urban renewal district so they can still live there and benefit from the work being done?** The URA has mechanisms in place to assist with relocation costs if relocation is necessary. When relocation is not necessary, there may be inconveniences associated with development that people will be subject to.

Other Cities

- **Wilsonville has 6 urban renewal districts. Do you know their total size?** Wilsonville currently has 3 URD's; East Side (454 acres), West Side (415 acres), and Coffee Creek Industrial Area (258 acres), totaling 1,127 acres.
- **The Clackamas Town Center URD seemed to continue on and on after its ability to close. They were accused of diverting money to other projects. True?** While there is limited information available, this is not likely.

Additional Miscellaneous Questions

The City of Oregon City received questions from John Williams and asked Leland Consulting Group and GEL Oregon to recommend a response. These responses are below.

1. **Why did the UR pay Oregon City $1,000,000 plus (from the Special UR Fund) for "operational, legal and other expenses"?**

   In short, the City paid legal and other urban renewal related expenditures and the urban renewal agency repaid the city for those expenditures. The urban renewal board reviewed and approved the repayment. Further explanation can be provided by the finance director and city manager.

2. **Why did the UR request the Assessor (refer to the last UR financial report) to collect the full amount of TIF funds generated this fiscal year when the Agency has no need for debt payments or service charges? The UR**

Agency had no projects planned then, and now has no projects projected to finance now, and had more than enough TIF revenue to pay off outstanding debt.

Oregon City is levying, collecting, and using property taxes consistent with state law and best practices.

> "*...shall be used to pay any indebtedness incurred for the redevelopment or urban renewal project.*"

The term "incurring indebtedness" has long been loosely interpreted, notably that *any* expenditure is incurring indebtedness. The urban renewal agency issues debt internally to pay for urban renewal related activity consistent with the plan and uses TIF to repay the indebtedness.

> "*Expenditures of TIF revenues on operation and maintenance of capital facilities and expenditures on municipal services (e.g., police) are not allowed.*"

The property taxes collected by the urban renewal agency are received and recorded in a debt service fund to pay debt service or indebtedness incurred for urban renewal projects included in the Plan, whether or not that debt is repaid in the year property taxes are collected.

> "*...shall be paid into a special fund of the urban renewal agency for ... the urban renewal plan.*"
> "*The principal source of revenue ... will be annual tax revenues ... to fund projects.*"
> "*It is important to remember that TIF revenues do not equate to the dollars available for projects. TIF revenues are used to pay debt service on debt that pays for project costs.*"

The urban renewal agency does not use TIF for police or other municipal services. The UR agency does utilize TIF to pay administrative costs of the agency borne by the City. These expenditures are allowed by state statute.

General Comments

In watching the Zoom Urban Renewal Study Community Workshop last night and where I have been a Urban Renewal Commissioner myself, my mind went to what our programming has been and the use of Urban Renewal and what might be considered, as a priority with more "community wide positive implications".

One of those that I would like to bring your attentions to is creating multi-fasted places-locations that can help us bring control to the madness of address homelessness and affordable housing. Our Oregon City Urban Renewal District has land and we have not been very successful in turning it to an community wide asset. We have created limited TIF over and above the 3% that is automatically added to assessed value annually. The big exception is now the housing behind the Oregon City Shopping Center.

All type of Affordable Housing has been priority to me thus I follow and interact with Oregon Housing and Community Services. This is part of my involvement in homeless and affordable housing issues for over the last 6 years plus. It started with Veteran Outreach and doing whatever possible to get them off the streets and treat what we can and create shelters and affordable housing. That lead me to looking at the bigger picture and attempting to understand what we need in a lot of steps in doing all sorts of things that our greater community knows we need to do to solve something that is out of control. Our Oregon City Police have been wonderful in how they have been pro-active. But one of things we need to do is in creating legislation that takes back our corridors from camping and that requires creating a place where the Homeless can go or can be taken too. But it is far more than just that, as we all know, we need *money.   Everyone needs to look at the current number of students in our Oregon City School District that are considered as homeless, and it is alarming, and Larry Didway can get you that number.*

I have been on a Board of the Fort Kennedy, a Veteran Outreach Center and I have been this advocate for a "Hand-Up, Not a Hand-Out", where we become pro-active in attempting to help turn lives around, to where they can become self-supporting. I know that this is not a easy task, but a needed task for our community to take on in a concerted effort with non-profits. This type of programming takes money and caring people and people who can think out of the box. Thus my eyes are on this "Pot of Money - The TIF Dollars" and how best they can be used in creating a better Return on Investment for our greater community.

I personally would like to see more funds in the hands of the City of Oregon City and one of the ways to do that, is a reset of the Oregon City Urban Renewal District, where it is shut down and its assets are transferred to a new Urban Renewal District and its liabilities are paid-off, much like what Frank and you are and have been doing with Oregon City's Urban Renewal Commission in what you have already started and done. This shut-down and re-start move, would really help and allow for additional revenues to go into our pockets for our City's Re-Prioritization of our funding needs.

I believe Urban Renewal has a place and is needed in Oregon City. I also believe we need to review all of the property assets, like the UR Districts owns City Hall and all of the implication of owning that asset needs a reset. We have two houses owned by our Urban Renewal District across from the Museum on south 2nd Street and that property and footprint should be considered for re-development and maybe expanded to create a significant mixed-use affordable housing project. We need more very affordable housing in Oregon City and this corner and both sides of south 2nd street up to High Street should be considered as ideal locations for new redevelopment of high-density affordable housing. It is always about location, location, location and with all of the necessary infrastructure and transit, this could be where the community goes create what we need in affordable housing.

I remember as a UR Commissioner awarding Urban Renewal Grants along Main Street and seeing nine out of ten of those grants not kicking in a new re-appraisal, thus new TIF over and above what happens annually in 3% increases in assessed value. We made Oregon City Main Street better looking, made some property owners more money in how it affected their Market Value, but this did not have a classic Return on Investment, that flowed into the UR District. I think we all looked at it like Landscape Improvements and it did make our City look good again. But when I see all of the crap being deposited from the homeless/houseless camp sites and people roaming around our City with their shopping carts or pack-sacks on their backs in my home town, my hope is that we can come together and develop solutions that are focused on a Hand-Up approaches to this problem. There are so many elements - fascists in this, but we as a community need to make this a priority.

We need to leverage money and Oregon Housing and Community Services Department has grant funds and our UR District has funds and how best to pull all of this together and create projects that the community will support is up to you guys and gals that are being paid all of this money for your contribution to society. Hey please thing about this, we have properties in the UR Districts that might be considered for 1031 exchanges for other properties and in doing so we let private enterprise do its own thing and we quite trying to oversee and promote things that should not be part of including giving money to businesses and land-owners. We get back to the basics.

How we make our parks better is an example, which is an important asset that has been forever under-funded. It is just the tip of the iceberg in any re-prioritization that would and could occur with a shutdown *of the current UR District with the restoration of those funds now being set-a-side and that to me creates a higher priority. My hope is that you guys and gals can be nimble, shut down the current UR District, restart a new UR District and transfer the remaining assets of the Downtown UR District to the new UR District.*

Maybe it is time to even start multiple new UR Districts, like a replacement to the Hilltop District that was shut down and create a new Beavercreek Road UR District. Create something that incorporates the Willamette Falls Legacy Project and the Mill Site. When TIF is not part of non-profit housing, maybe it is included or not included, but in helping acquire property there is a blend that becomes part of the mix of bring value to the citizenry. Historically far little value has been brought to the majority of the citizenry with our previous UR investments.

IV. Next Steps

The first engagement phase of this study focused on providing education and information about urban renewal and the Oregon City Urban Renewal District. This phase also collected questions and comments from the community at large, which helped refine key messages and informational materials, and gauge interest in key topics. The next phase of engagement will build upon this foundation of education and allow for more in-depth discussion to identify and establish community priorities. This will lead to the final phase of the study that will review options and a decision for the District.

This summary of outreach conducted thus far will be presented to the Oregon City Urban Renewal Commission for review and comment and will be used to assess whether the process is ready to transition from the first phase to the second phase of engagement.

Appendix A. Interview Notes

Appendix B. Survey Data Results

Q1 Do you have any questions about urban renewal or what it does? For more information, please visit the project website: www.orcity.org/economicdevelopment/urban-renewal

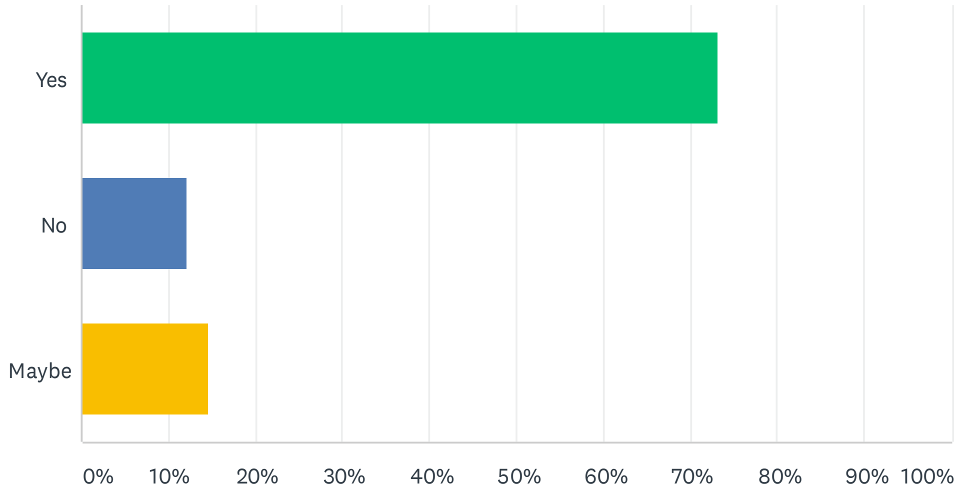
Answered: 14 Skipped: 28

#	RESPONSES	DATE
1	Why aren’t Urban Renewal areas closed when projects are completed? Seems like a drain of our tax dollars.	1/11/2021 12:40 AM
2	No	1/10/2021 9:44 AM
3	no	1/10/2021 8:06 AM
4	Why aren't we using it more?	1/9/2021 5:21 PM
5	No	1/8/2021 5:42 PM
6	Would this classify as gentrification? If so, can we specifically write the language of any legislation or executive action to benefit the local populus rather than outside money or interests.	1/7/2021 10:36 AM
7	No, keep up the good work.	1/7/2021 10:27 AM
8	Not currently	1/6/2021 5:44 PM
9	No	12/28/2020 5:06 PM
10	How are the selected areas nominated and chosen? Who controls that process? Is this info readily available to the public?	11/30/2020 3:49 PM
11	no	11/16/2020 7:41 PM
12	If the Oregon City Urban Renewal Agency is shut-down, I understand that the current annual Property Tax Revenue of approximately $3,200,000 in 2020 Dollars would be distributed to multiple entities. Who would be receiving these Property Tax Dollars and how much would go to each entity.when the Oregon City Urban Renewal Agency is shut-down. Can the properties owned by the current URA get transferred to a new Oregon City Urban Renewal Agency if the properties are in the boundaries of the new URA?	11/5/2020 5:10 PM
13	No.	11/2/2020 10:09 AM
14	No. Have attended at least five Urban Renewal 101 sessions before tonight.	10/29/2020 7:14 PM

Item #2.

Q2 Do you think urban renewal is a tool the City should consider using in the future?

Answered: 41 Skipped: 1

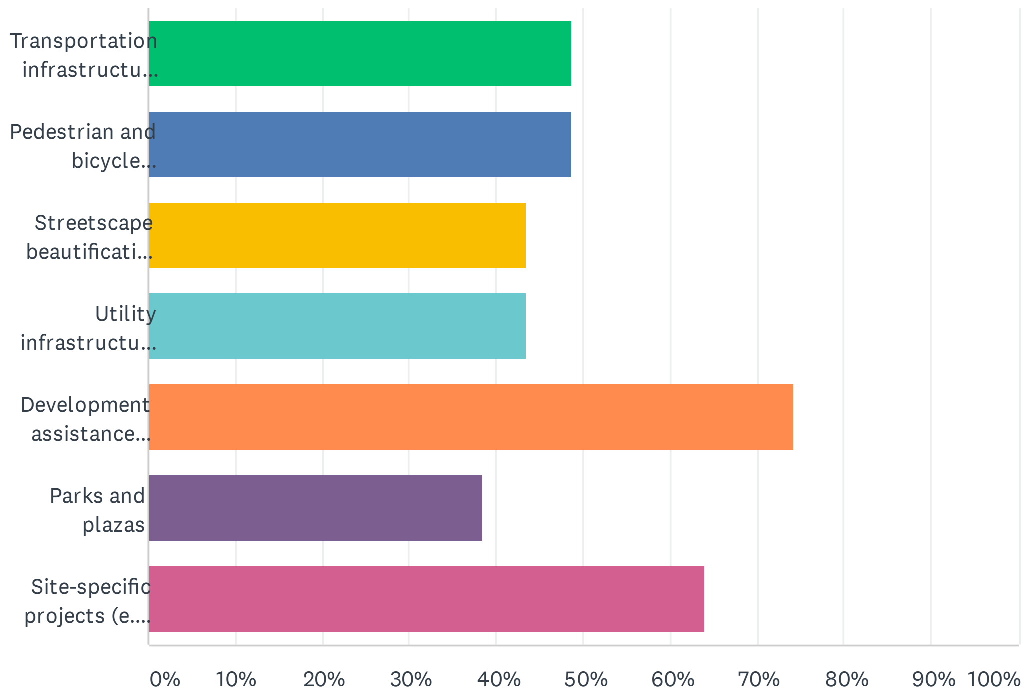


ANSWER CHOICES	RESPONSES	
Yes	73.17%	30
No	12.20%	5
Maybe	14.63%	6
TOTAL		41

Item #2.

Q3 If this was a tool that Oregon City used, what types of projects would you like to see it dedicated towards? Check all that apply.

Answered: 39   Skipped: 3



ANSWER CHOICES	RESPONSES	
Transportation infrastructure (new or improved roads and intersections)	48.72%	19
Pedestrian and bicycle infrastructure (e.g. sidewalks, crosswalks, pedestrian and bicycle amenities)	48.72%	19
Streetscape beautification projects (landscaping, lighting, murals, public art, benches, etc.)	43.59%	17
Utility infrastructure (new or improved sewer, water, gas, power, stormwater lines	43.59%	17
Development assistance programs (e.g. storefront/façade improvement grants, development incentives, historic preservation projects)	74.36%	29
Parks and plazas	38.46%	15
Site-specific projects (e.g. clean up of brownfield sites, site consolidation)	64.10%	25
Total Respondents: 39		

Q4 If this is not a tool that Oregon City should use, what alternatives should the City consider to help implement projects?

Answered: 11 Skipped: 31

#	RESPONSES	DATE
1	Don’t keep implementing projects. Our city is too torn up. It makes it difficult to get where we need to go.	1/11/2021 12:40 AM
2	Revert to horses and buggies.	1/9/2021 5:21 PM
3	Opening land up for private builders to bid and develop the land it is designated for, such as apartments, small community homes for transitional housing. Building affordable house, or townhomes, creating businesses for people to open. Creating jobs by updating roads and building new roads.	1/8/2021 5:42 PM
4	Community organizing to acrew funds and focus them back on the community to perpetuate interaction and proliferation of funding and works.	1/7/2021 10:36 AM
5	Private sector investment	1/7/2021 5:22 AM
6	Involving local Church communities to build a presence in needy areas.	11/30/2020 3:49 PM
7	Reduced SDC's.	11/15/2020 4:20 PM
8	Enterprise Zones, Special Property Tax Districts, SDC Reductions, Economic Development Open Request for Assistance Administrator with the capability to evaluate all opportunities that reflect an ROI in a Benefit Analysis to Oregon City. We must keep an open door to whatever works that will generate a high level of ROI to Oregon City. We have been giving out Urban Renewal Grant or funding projects with little or NO ROI to Oregon City and its residents for a long time and that has to end.	11/5/2020 5:10 PM
9	Improve water front, the rest will follow.	11/5/2020 1:14 PM
10	It is a tool we should use and find a way to set a course that doesn't change every time we elect new Commissioners.	10/29/2020 7:14 PM
11	lower SDC fees	10/29/2020 7:07 PM

Q5 Is there anything else you'd like to share?

Answered: 7 Skipped: 35

#	RESPONSES	DATE
1	Use money we pay for Urban Renewal Projects to improve school funding. Don’t keep growing Oregon City larger and larger.	1/11/2021 12:40 AM
2	Private businesses should be involved every step of the way, new roads should be a priority, maintenance of roads should be a priority too.	1/8/2021 5:42 PM
3	Any money the city uses should not leave the city to benefit outside sources. All works should specifically be focused on the people and maintaining our historical Oregon heritage.	1/7/2021 10:36 AM
4	I love the improvements that have occurred so far and I am proud to be in Oregon City as it continues to improve.	1/7/2021 10:27 AM
5	We would love to see the area down by the Cove turned into a greenspace. Forget the development and expand the existing park, make the cove accessible.	1/6/2021 2:20 PM
6	The Oregon City Urban Renewal Agency should not own the current City Hall Asset and pay for its maintenance. This is just alternative methods of paying for something that should have been bought and paid for and maintained out of other revenue. There was NO Blight in what was done or corrected and NO future Tax Increment Created, only liabilities and this practice must end.	11/5/2020 5:10 PM
7	Use the tool we have in place and move ahead on projects in the current UR district	10/29/2020 7:14 PM

Oregon City Urban Renewal Study

Summary of Overlapping Taxing District Interviews

Date November 24, 2020

To James Graham, Oregon City

From Sam Brookham, Leland Consulting Group

CC Andy Parks, GEL Oregon
Anais Mathez, 3J Consulting

Introduction

This memo is a summary of the interviews conducted with the overlapping taxing districts for the Oregon City Downtown/North End Urban Renewal District. While the Plan was implemented more than 13 years ago, the District has underperformed economically relative to expectations. Given that the taxing districts forego varying amounts of tax revenue during the course of the Plan, they have a major stake in the performance of the district.

The consultant team interviewed seven overlapping taxing districts, including:

- Oregon City School District
- Clackamas County
- Clackamas County Fire District #1
- Clackamas Community College
- Metro
- Port of Portland
- Vector Control

These interviews inform the development of educational materials by identifying potential areas of agreement and issues that require more information and further discussion.

While the interviews were largely conversational, the consultant team centered the discussion around five key questions:

- Are you familiar with the Downtown Oregon City/North End Urban Renewal District?
- Do you understand the impact of the District on your annual revenue?
- Do you understand the timeline of the Plan and your projected revenue upon the District's closure?
- Has the urban renewal plan benefitted your organization? Are there future opportunities for urban renewal to benefit your organization?
- Are you aware of any specific capital projects or public buildings that could be partially or fully funded with tax increment financing to meet your service needs?

The findings in the following pages provide the City of Oregon City and the Urban Renewal Commission with information about the overlapping taxing district's support for the Urban Renewal District and their desire for changes (if any).

Key Themes

While most interviews centered around elements specific to each taxing district, several themes emerged. These themes are summarized below.

- Most taxing districts indicated a desire for a greater private return on public investment
- While staff are generally supportive, there is generally more hesitance for urban renewal from board members
- Equity and inclusion should be part of the Plan
- There is potential for urban renewal to assist with public buildings, but further analysis is required
- Boundary amendments should be considered, particularly regarding the waterfront/Blue Heron site

Interview Notes

The full notes for each interview with the seven taxing districts are as follow.

Oregon City School District

Attendees: Kyle Laier, Deputy Superintendent; Susan Dodd, Chief Financial Officer

- For foregone tax revenue, the School District understands that while it is true that the State General Fund has to make up the difference, the State distributes fewer funds to all districts during the urban renewal plan.
- The Oregon City School District is the oldest in the region and also has the Oldest school in the City
    - The District has limited funds to make improvements
- The School District has an interest in the City's economic growth.
    - The City's recent growth has positively changed demographics in the District, positively impacting its Bond rating
    - Improvements in the urban renewal area support real market valuation growth and create positive community amenities, which enhances the community making it more desirable, positively impacting the District's Bond rating
    - An improved Bond rating lowers the District's borrowing costs (interest rates) benefitting Oregon City residents/taxpayers
- City/UR needs to start making investments to grow economic values.
- Barclay School
    - Public building in need of improvements.
    - Use of urban renewal funds to make improvements would require a boundary change, a plan amendment because of the new project, and sign-off by 3 of the 4 overlapping taxing districts. Whether these changes would trigger a minor or substantial amendment is to be determined.
- School District Board
    - Fairly new
    - ~4 new members
    - Would welcome a conversation but lots on their plate
- Enrollment is increasing but community investments are needed in the downtown area to continue to entice residents to the City, thereby driving school enrollment and revenue generation
- Development projects
    - The failure to complete the Landfill & Cove projects are seen as major downfalls but have the potential for significant positive economic impact
    - There is an interest in using TIF to fund Willamette Falls improvements
- Equity and inclusion are important
    - The tribal land investment could help support these goals
    - "Oregon City isn't known for its diversity"

Clackamas County & Vector Control

Attendees: Brian Nava, Treasurer; Stephen Madkour, Elizabeth Comfort; Joshua Jacobson; Schmidt, Gary Joshua Jackson, Executive Director (Vector Control)

- The official position of the County is to support its cities unless there is some boundary change that includes unincorporated land. The County, therefore, defers to the City.
- Desires
  - A greater return on investment
  - Consistent check-ins and amendment considerations as needed.
  - Interest in potential boundary changes
    - Waterfront/Blue Heron site
    - The County is a full supporter of the Willamette Falls legacy site and the use of UR as an incentive
    - Grand Ronde has purchased the site
- County Commissioners are generally not as supportive as staff of urban renewal unless there are specific provisions
  - Happy Valley example
    - Commissioners supported urban renewal as long as some portion of the funds went to affordable housing
  - Board shift will occur in January; it is predicted that the new board will not be as supportive of urban renewal as the current board.
  - Helps that it's an existing Plan
- While the County cannot veto, it makes sure to do its due diligence
- County and City relationship is unique
  - The County tries to maintain a collaborative relationship
  - County offices (tax-exempt property) are housed in Oregon City
- Vector Control supports the City's decision

Clackamas Community College

Attendees: Alissa Mahar, Vice President; Jeff Shaffer, Dean of Business Services;

- Staff has experience working with urban renewal and public finance
- The College has projected 4.5% growth rates, in keeping with the City and District's growth rates.
- Typically supportive of UR as long as there is a sunset date and a "good mix of projects and programs"
- Large geographical district with a relatively small levy
  - CCD has 15-20 UR districts within their district
- CCD recently had a similar meeting with Milwaukie about a housing abatement
- Funding sources
  - Sources include:
    - Community College Support Fund
    - Tuition Revenue
    - Property taxes
  - There is an equalization formula for all colleges in State
  - Higher [population] growth rates mean less state funding
  - $59m in revenue (property tax makes up about one-third)
- Interested in the "greater good" versus return on investment

  - CCD is heavily involved in employment lands, industrial areas, but recognizes that industrial doesn't make sense in downtown
  - CCD focuses on being a connector to employment
  - Focuses include Infrastructure, access, and connectivity, and housing, childcare, and transportation
- The Board is supportive of growth and likes to be opportunistic
  - Benefit outweighs any loss
  - *But* state funding hasn't kept up with inflation, which makes this a challenging time to talk about lost funding
- Important to leverage all available resources/funding sources
  - E.g. Metro housing bond

Clackamas County Fire District #1

Attendees: Fred Charlton, Fire Chief; Marilyn, Board of Directors

- Most concerned about the financial impact of urban renewal on the Fire District
- The financial impact of urban renewal is significant
  - The Fire District has 4-5 UR districts, not just the Downtown District; and the impacts accumulate across all districts
  - Tax revenue is the fire district's major source of revenue and they do not utilize alternative methods of funding like other taxing districts
  - The District works within their budget and seeks state and federal grants to meet any shortfall
  - The Fire District is typically more against UR than others
  - Cities have a number of other tax diversion programs (State created) that further impacts property taxes (e.g. vertical housing tax abatement program)
- The Board policy is to advocate for projects with a high return on investment
  - Concerned about "hallmark" projects, i.e. projects that do not have a high ROI like trails and other community amenities
  - Want improvements with a higher return of investment
  - The City needs to ensure that property returns to the tax roll in a reasonable timeframe
  - The discussion should not be public safety vs public improvements
- Fire Station improvements
  - The current downtown station is within the UR District
  - The Fire District does not have a good experience with using urban renewal funds to build/improve fire stations (the District did not close as promised so the impacts continued unabated for longer than planned)
  - The Fire District currently has 4 stations
  - Oldest in downtown: City asset
    - Within the District
    - Long-term agreement
    - Recognizes the need to relocate or have major renovations
      - Do not have the revenue to do so
      - Could be an option to invest UR funding
      - Fire District have an idea of what they would need, both in terms of footprint and service needs
- Engagement
  - Happy Valley is very engaged. The City and FD came to an agreement that some of the funds would be returned to the district to make capital investments in the station and services.

  - The FD currently has little engagement with Oregon City
- Fire District Desires
  - Agreement advised
    - e.g. unfreezing and refreezing at the base after Y10 (Milwaukie example with a 29-year plan)
    - Were engaged with several options
    - Bond agreements, if allowed to go forward, could be made as soon as the existing debt is paid
  - Conduct study to analyze the financial impacts of livability improvements
  - While urban renewal programs like developer assistance might result in new development, this new development increases the costs of providing essential service (because of household and employment growth) while continuing to limit revenue to provide those services
    - Increasing density and traffic will impact the District's level of service and the demands on Fire District
- Questions to answer
  - What would have normally occurred without Urban Renewal?
  - Is there an opportunity to carve out Fire, i.e., exempt the District from foregone revenue?

Metro

Attendees: Brian Kennedy, Chief Financial Officer

- The official position of Metro is not to take a for/against position due to the challenging politics of being a regional government
  - Metro has no concerns about the UR District or UR as a whole
- Metro's permanent rate is low relative to other OTDs
- Metro has a major interest in the success of downtowns, particularly those that are designated centers
- Metro has invested in parks, such as Willamette Falls and downtown Oregon City
- An official endorsement would require Metro to go through their channels but they are unsure where Council would fall
- Metro has not adopted/set a standard or benchmark for ROI
- Future conversations would likely center on the specific plan elements and should involve connecting with Metro's planning team to discuss their 2040 Plan.

CITY OF OREGON CITY
URBAN RENEWAL COMMISSION
DRAFT MINUTES

Commission Chambers, 625 Center Street, Oregon City
Wednesday, September 16, 2020 at 6:15 PM

6:15 PM – REGULAR MEETING OF THE URBAN RENEWAL COMMISSION

Call to Order and Roll Call

Chair Frank O'Donnell called the meeting to order at 6:20 PM.

Present: - *6* Commissioner Dan Holladay, Commissioner Frank O'Donnell, Commissioner Denyse McGriff, Commissioner Rocky Smith, Jr., Commissioner Rachel Lyles Smith, Commissioner Shawn Cross

Staffers: - 3 City Manager Tony Konkol, City Recorder Kattie Riggs, and Economic Development Manager James Graham

Citizen Comments

There were no citizen comments.

Discussion Item

1. Willamette Stone's Personal Service Agreement Extension Request for 922 Main St. Property

James Graham, Economic Development Manager, introduced the agenda item and Kerry Hughes, Skip Rotticci, and Derek Metson from Willamette Stone.

Skip Rotticci, Colliers International, provided an update on the project to bring in new ground floor retail with residential units above. The railroad quiet zone was not achievable, and the residential units would not be feasible. They were requesting a change to ground floor retail and office above. He discussed the effects of Covid-19 on businesses and trends of people working from home and only part time in an office. The leasing of office space was happening in the suburbs rather than in central business districts.

Kerry Hughes, Willamette Stone, explained the reasons for Willamette Stone's request to change from residential/commercial mixed use to commercial use only. They would provide jobs and office space downtown. The extension of the agreement would allow them to design the building to be a good fit in the community and get the necessary land use approvals. Covid-19 was also impacting the capital market for commercial real estate.

Chair O'Donnell asked if the additional $10,000 in earnest money was acceptable. Mr. Hughes said yes.

Chair O'Donnell was also concerned about the Section 1031 exchange language in the agreement.

Commissioner McGriff clarified they were now proposing a two-story building instead of three-story and asked about the possibility of converting the proposed building to residential use in the future.

Mr. Hughes said the two-story was driven by the parking requirements. He thought the proposed office space could be converted to residential in the future.

Commissioner McGriff suggested the building should match the architectural style of downtown.

Commissioner Smith was concerned that the quiet zone was no longer a priority and how the purpose for this property was to bring residential downtown. He thought they should wait before entering into an agreement until they knew what their new focus would be.

Derek Metson, Greenbox Architecture, discussed the parking requirements for the site which dictated what could be developed. Without a quiet zone, they could not meet the requirements for residential. He then discussed the architectural design of the project.

Commissioner McGriff thought the design should better reflect downtown. She thought they should continue to work on the quiet zone but was in support of this project.

Doug Neeley, resident of Oregon City, said the Urban Renewal District had owned two properties for some time and nothing had happened on them. It was important to have mixed-use downtown and it should be a priority. He did not have an objection to this contract.

Mike Mitchell, resident of Oregon City, would like to see the residential component of the project stay but understood the obstacles for the quiet zone. He described that is a key intersection and the condition of the property is currently an eyesore. If the Commission approved the extension to the agreement, he thought they should require the applicant to clean-up the site and add and maintain minimal landscaping.

Mr. Rotticci explained there was an exhibit in the agreement that gave the City control of the property even after the sale of the property. The developer would have to complete the construction in a given timeframe and if they did not the property could be reverted back to the City. The applicant could not transfer the property without the City's approval. The 1031-phrase in the agreement had to do with the cooperation between the buyer and seller.

Commissioner Lyles Smith thought they needed residential development downtown. With the pandemic, a lot of people were rethinking the use of office space. They were in a transition time and the City Commission needed to have budget discussions about the quiet zone in the upcoming goal-setting retreat. She thought they should not extend the contract and wait until next summer to decide. Chair O'Donnell agreed.

Commissioner McGriff suggested cleaning-up the property and putting public art on it.

Commissioner Holladay said the building could be converted to residential when the economics were better. He thought that would be better than letting the property languish for several more years.

Mr. Hughes confirmed the office space could be converted to residential, however it would not yield the number of units as originally proposed.

Mr. Metson explained how the building would be constructed to accommodate residential. There were other sites downtown that made more sense for residential.

Motion made by Commissioner Lyles Smith, seconded by Commissioner Holladay, to extend the existing contract with Willamette Stone for 922 Main Street until July 30, 2021. The motion carried by the following vote:

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

Communications

There were no communications.

Adjournment

Chair O'Donnell adjourned the meeting at 7:31 PM.

Respectfully submitted,

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Kattie Riggs, City Recorder

CITY OF OREGON CITY
URBAN RENEWAL COMMISSION
DRAFT MINUTES

Commission Chambers, 625 Center Street, Oregon City
Wednesday, October 07, 2020 at 6:00 PM

6:00 PM – REGULAR MEETING OF THE URBAN RENEWAL COMMISSION

Call to Order and Roll Call

Chair Frank O'Donnell called the meeting to order at 6:04 PM.

Present: 6 - Chair Frank O'Donnell, Commissioner Denyse McGriff, Commissioner Rocky Smith, Jr., Commissioner Rachel Lyles Smith, Commissioner Shawn Cross, Commissioner Doug Neeley

Absent: 1 - Commissioner Dan Holladay

Staffers: 5 - City Manager Tony Konkol, City Recorder Kattie Riggs, Economic Development Manager James Graham, Interim Finance Director Ryan Bredehoeft, and Assistant to the City Manager Lisa Oreskovich

Citizen Comments

There were no citizen comments.

Public Hearing

1. Resolution No. UR20-01, Supplemental Budget to Appropriate Funds to Pay Off Outstanding Debt for the 2019-21 Biennium

Chair O'Donnell opened the public hearing.

Ryan Bredehoeft, Interim Finance Director, provided the staff report. This was a proposal to pay-off the debt of the Urban Renewal Agency, which would require a budget adjustment.

Chair O'Donnell said the funds were earning little to no interest income while paying interest income on debts that could be paid off. In the interest of good housekeeping the Commission had decided to pay-off the debts.

Mr. Bredehoeft clarified they were moving the funds from reserve and appropriating them for the expenditure.

Commissioner McGriff clarified they were not closing the Urban Renewal District or doing anything other than paying-off the debt.

There was no public testimony.

Chair O'Donnell closed the public hearing.

Motion made by Commissioner Denyse McGriff, seconded by Commissioner Shawn Cross, to approve Resolution No. UR20-01, adopting a Supplemental Budget to appropriate funds to pay off outstanding debt for the 2019-21 Biennium. The motion carried by the following vote:

Aye: 6 - Chair Frank O'Donnell, Commissioner Rachel Lyles Smith, Commissioner Denyse McGriff, Commissioner Rocky Smith Jr., Commissioner Shawn Cross, and Commissioner Doug Neeley

General Business

2. Minutes of the August 19, 2020 Regular Meeting

Motion made by Commissioner Denyse McGriff, seconded by Commissioner Rocky Smith, to approve the minutes of the August 19, 2020 Regular Meeting. The motion carried by the following vote:

Aye: 5 - Chair Frank O'Donnell, Commissioner Rachel Lyles Smith, Commissioner Denyse McGriff, Commissioner Rocky Smith Jr., and Commissioner Shawn Cross

Abstain: 1 - Commissioner Doug Neeley

Communications

Commissioner Neeley suggested a discussion on using Urban Renewal funds for no or low interest rates to businesses or property owners in the District to offset costs due to Covid-19.

There was consensus for staff to get a legal opinion about whether it was an allowed use of Urban Renewal funds. If it was allowed, the topic would be brought back to the Commission.

Commissioner McGriff asked for an update on the Urban Renewal Community Conversation project. Tony Konkol, City Manager, said Leland Consulting would provide an update at the next meeting.

Commissioner Smith welcomed Commissioner Neeley.

Mr. Konkol reviewed the items for the next meeting. In November 2016, the voters adopted Measure 3-514 which amended the City Charter to limit the ability of the Urban Renewal Agency to utilize tax increment financing or to buy land for Urban Renewal or development. This resulted in two lawsuits and the Clackamas County Circuit Court ultimately concluded that the measure was preempted by state law and was therefore ineffective. This decision had been appealed to the Oregon Court of Appeals and was scheduled for submission on December 10, 2020. Oral arguments would be held on the same day. It was anticipated that there would be a decision from the Court of Appeals in one year.

Commissioner Neeley asked when the property tax funds came in. Mr. Bredehoeft stated the bulk came in November. Mr. Konkol said they would get a good idea in November of how significant delinquent payments due to Covid would be.

James Graham, Economic Development Manager, explained how they had helped relieve some of the pressure off their renters. He would be surprised if they could lower the interest rate on outstanding debt, but they would wait to see what the attorney said.

Adjournment

Chair O'Donnell adjourned the meeting at 6:26 PM.

Respectfully submitted,

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Kattie Riggs, City Recorder

CITY OF OREGON CITY
URBAN RENEWAL COMMISSION
DAFT MINUTES

Commission Chambers, 625 Center Street, Oregon City
Wednesday, December 02, 2020 at 6:00 PM

6:00 PM - REGULAR MEETING OF THE URBAN RENEWAL COMMISSION

Convene Meeting and Roll Call

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

Present: 6 - Commissioner Frank O'Donnell, Commissioner Denyse McGriff, Commissioner Rachel Lyles Smith, Commissioner Rocky Smith, Jr., Commissioner Shawn Cross and Commissioner Doug Neeley

Staffers: 5 - City Manager Tony Konkol, City Recorder Kattie Riggs, Interim Finance Director Ryan Bredehoeft, Economic Development Manager James Graham and Assistant to the City Manager Lisa Oreskovich

Citizen Comments

There were no citizen comments.

Discussion Items

1. Environmental Mitigation Bank

Tony Konkol, City Manager, provided background as to what was discussed at the last Urban Renewal Commission meeting regarding mitigation banking at the Clackamette Cove. He proceeded by explaining the next steps including an option to engage with a partner for an environmental mitigation banking program. If the Commission wanted to proceed with a program, would they want to re-engage with RestoreCap or another entity. Mr. Konkol continued to explain what the program might look like, what would need to be done, and who might pay for that work.

Commissioner Neeley asked if Oregon City retains the plans from the last Cove proposal and Mr. Konkol indicated the City does retain some plans but not all of them.

Commissioner McGriff asked how much work had been previously done by RestoreCap. Mr. Konkol indicated he was not sure of the amount of work product that had been completed. Commissioner McGriff felt RestoreCap should honor the prior agreement and complete the work.

Commissioner O'Donnell asked about the sale of any lots that could be affected by the mitigation effort and Mr. Konkol indicated that those properties had been previously identified.

Jerry Herrmann, resident of Gladstone, expressed his support for the City re-engaging in this process and urged the Commission to move ahead and get in the cue, as other municipalities are looking to engage entities such as RestoreCap, on environmental projects. Commissioner O'Donnell asked Mr. Herrmann if RestoreCap was the only environmental banker other municipalities were dealing with and he indicated there are multiple entities that provide the service that could potentially be engaged.

Commissioner Neeley asked if the other municipalities have distinct projects in mind and Mr. Herrmann indicated they do and provided examples. Mr. Herrmann also indicated the water quality issues of the Cove certainly qualify as a project that is suitable for environmental mitigation banking.

William Gifford, resident of Oregon City, expressed his support of addressing the water quality of the Cove regardless of other property issues and feels the Commission should move forward with the process.

Commissioner Neeley and Commissioner O'Donnell had discussion on the history of the water temperature of the Cove and how that affects salmon migration and how that may cause denial of a potential project.

Commissioner Lyles Smith expressed her support of entering into a potential agreement with RestoreCap.

Commissioner McGriff expressed her support as long as information was provided as to what work RestoreCap had already completed.

Commissioner Cross supported the idea of the potential project but felt the Commission should explore other banker entities and that the engagement process should be completed first before any environmental projects are initiated.

Commissioner Smith agreed with Commissioner Cross' comments and does not feel staffing expenditures should be included. Mr. Konkol clarified staffing-related charges would be mostly legal negotiations, but Commissioner Smith still did not feel that was appropriate.

Commissioner O'Donnell expressed support for moving forward and felt the work would enhance the Cove and adjacent properties.

Motion made by Commissioner McGriff, seconded by Commissioner Neeley, to authorize Mr. Konkol to work with RestoreCap on establishing a new agreement. The motion passed by the following vote:

Aye: 5 - Commission Chair Frank O'Donnell, Commissioner Shawn Cross, Commissioner Denyse McGriff, Commissioner Doug Neeley, Commissioner Rachel Lyle Smith

Nay: 1 - Commissioner Rocky Smith

2. Urban Renewal Public Engagement Process Update

James Graham, Economic Development Manager, presented Sam Brookham with the Leland Group and Anais Mathez (3J Consulting) that provided an update on the progress of the public engagement process. The interviews of the overlapping taxing districts were completed. Mr. Brookham presented the summary of the interviews to the Commissioners and outlined the key takeaways from those sessions. The virtual town hall sessions and community group presentations had been scheduled.

Commissioner O'Donnell inquired as to the citizen attendance with the virtual town hall sessions so far and it was indicated the numbers had been four to five per session.

The Commissioners, Mr. Brookham and Mr. Parks from GEL Oregon had discussion on adding or reducing the boundaries of the Urban Renewal District and what was legally allowable.

Commissioner McGriff would like to see more outreach with the fire districts as there tends to be a general lack of understanding of what the Urban Renewal Commission and District does.

William Gifford, resident of Oregon City, expressed concerns regarding the expenditures of educating the public on Urban Renewal as he did not feel citizens were concerned and that the Oregon City Business Alliance (OCBA) was not part of the community group discussions. Mr. Graham and Mr. Brookham clarified that there would be a presentation to the OCBA in January.

Commissioner O'Donnell and Mr. Parks had further discussion on boundaries.

Commissioner Neeley would like to see further discussion on the quiet zone related to the 10th and Main property. Commissioner O'Donnell indicated he would get Commissioner Neeley up to date on that topic, as it was covered extensively in prior meetings before Commissioner Neeley's appointment. Commissioner Smith expressed this topic would come back around for discussion.

3. Minutes of the September 8, 2020 Regular Meeting

4. Minutes of the October 21, 2020 Regular Meeting

Motion made by Commissioner McGriff, seconded by Commissioner Cross, to approve the meeting minutes for September 8, 2020 and the meeting minutes from October 21, 2020. The motion passed by the following vote:

Aye: 6 - Commission Chair Frank O'Donnell, Commissioner Rocky Smith, Commissioner Shawn Cross, Commissioner Denyse McGriff, Commissioner Doug Neeley, Commissioner Rachel Lyle Smith

Communications

There were no communications.

Adjournment

Chair O'Donnell adjourned the meeting at 7:26 PM.

Respectfully submitted,

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Kattie Riggs, City Recorder