CITY OF OREGON CITY
URBAN RENEWAL COMMISSION
AGENDA

Commission Chambers, Libke Public Safety Facility, 1234 Linn Ave, Oregon City
Wednesday, May 7, 2025 at 6:00 PM

Ways to participate in this public meeting:

- *Attend in person, location listed above. Please see the public comment guidelines below.*
- *Attend the livestream of the meeting on the City's YouTube Channel: https://www.youtube.com/user/CityofOregonCity*
- *Register to provide electronic testimony (email recorderteam@orcity.org or call 503-496-1509 by 3:00 PM on the day of the meeting to register)*
- *Email recorderteam@orcity.org (deadline to submit written testimony via email is 3:00 PM on the day of the meeting)*
- *Mail to City of Oregon City, Attn: City Recorder, P.O. Box 3040, Oregon City, OR 97045*

1. CALL TO ORDER AND ROLL CALL

2. PUBLIC COMMENTS

Please see the public comment guidelines below.

3. DISCUSSION ITEMS

a. Resolution No. UR 25-01, Adopting the Urban Renewal Budget, Making Appropriations and Declaring Tax Increment for the 2025-2027 Biennium

b. Cover Water Quality Update

4. COMMUNICATIONS

5. ADJOURNMENT

PUBLIC COMMENT GUIDELINES

Complete a Comment Card prior to the meeting and submit it to the clerk. When the Chair calls your name, proceed to the speaker table, and state your name and city of residence. Each speaker is given 3 minutes to speak. As a general practice, the committee does not engage in discussion with those making comments. Complaints shall be addressed at the department level prior to addressing the committee.

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](#) 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.

Jakob Wiley

From: James Nicita <james.nicita@gmail.com>
Sent: Wednesday, April 30, 2025 2:38 PM
To: Adam Marl; Denyse McGriff; Mike Mitchell; Rocky Smith, Jr.; Scott Wilson; wpeterson@orcity.org; dhunt@orcity.org; sweber@orcity.org; Laurie Ariniello
Cc: Tony Konkol; Matt Zook; James Graham; Shaun Davis; Jakob Wiley; City Recorder Team
Subject: Public Comment: Oregon City Budget Committee hearing

Greetings Oregon City Budget Committee:

I write respectfully to comment on the current biennial budget deliberations.

Having observed both the earlier urban renewal budget committee meeting, and the first city budget committee meeting, I think henceforth there should be a rule of thumb, or a practice, if not an outright written rule, that the city budget deliberations should always take place PRIOR TO the urban renewal budget deliberations.

This year, the urban renewal budget committee voted to recommend to the urban renewal commission that the latter collect 100% of available TIF revenues over the coming biennium. This would leave the city with less funds to expend on city programs than if the URC did not collect 100% of available TIF revenues.

The manifest problem is that the UR budget committee made its recommendation within a significant information deficit: the city budget officer had not yet given the formal budget message to the city budget committee, which occurred later.

When that budget message was later presented, the difficult financial condition of the city itself was brought to light in detail. Furthermore, public comment on that situation was given, most notably by the Oregon City Police Employees' Association.

The city budget committee proceeded on the assumption that nothing could be done to increase city expenditures to address the city's needs, because the UR budget committee had recommended collecting 100% TIF revenues, and therefore less funds would be available for city expenditures such as one or more police officers, or alternatively for the city's building rehabilitation grant program.

I simply do not accept that the needs of the entire city and community of Oregon City should be subordinated to the needs of the urban renewal agency, which can only spend money within a geographically limited area of Oregon City.

As a citizen, taxpayer and voter, I would respectfully request that the city budget committee members, and more importantly, the city commissioners (particularly in their dual role as urban renewal commissioners), ignore the urban renewal budget committee's recommendation to the URC to collect 100% of available TIF revenues during the forthcoming biennium.

I would suggest UR TIF revenue collection at percentages of 0/0, 0/25, or 25/25 over the coming biennium. The key fact that permits such proposed TIF collection levels is the approximately $9 million sitting in the URA's account.

If the city commission retained the building rehabilitation program with the city using general fund, these funds could be reserved for programs that by their nature require more than one year to complete. Such a program would not run afoul of the one-year limitation on "bonded indebtedness" in Section 59 of the charter, and in the approved urban renewal plan.

On the other hand, the $9 million in URA TIF funds could be spent over the biennium on either a) projects that require <u>more</u> than one year to complete, and are approved by a public vote (the courthouse has been discussed as such a project) or b) other projects that can be completed in <u>less</u> than one year's time.

With these city and URA funding programs, the community can have a very impactful downtown redevelopment program, which I believe is critical over the coming biennium given the severe uncertainties downtown faces due to the national economy (tariffs, etc.) and, locally, the closure of the courthouse.

I would supplement my argument by countering what I feel was a harmful talking point often repeated during the recent campaign by some to extinguish Section 59 legally. Much rhetoric was expended on the argument that "we can't do anything" based on the one-year limitation on bonded indebtedness in Section 59.

The facts simply, and glaringly, prove otherwise. I give two examples of successful within-one-year UR grants to businesses that are now community favorites in Oregon City.

One is Nebbiolo's, which received a one-time start-up grant of $45,000.

The other is White Rabbit Cafe, which received two grants, one for interior rehabilitation, and one for exterior rehabilitation. I am linking to this email as evidence the UR meeting documentation for the interior rehabilitation grant of $120,000. The projected timeline was only three or four months, far, far less than one year.

https://ormswd.synergydcs.com/HPRMWebDrawer/Record/9873152

https://ormswd.synergydcs.com/HPRMWebDrawer/Record/5346542

Needless to say, these modest grants had significant positive impacts on downtown Oregon City. At those levels, one can just imagine what $9 million can do over the biennium. Add to this a city fund for building rehabilitation grants for periods of over one year. Add furthermore the possibility of leveraging other funding such as state and federal historic tax credits.

In sum, over the next biennium there should be a minimum of available TIF revenue collected, and the additional revenue available to the city can be used on services like police, and perhaps the proposed city-funded building rehabilitation program. Over the biennium, the URA can use its existing $9 million to make numerous impactful grants that are consistent with the one-year limitation on bonded indebtedness in Section 59 of the city charter, as incorporated into the urban renewal plan.

James Nicita
Oregon City

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

CITY OF OREGON CITY

Staff Report

To:	Urban Renewal Commission	**Agenda Date:**	May 7, 2025
From:	Matt Zook, Finance Director		

SUBJECT:
Item 3.a. - Resolution No. UR 25-01, Adopting the Urban Renewal Budget, Making Appropriations and Declaring Tax Increment for the 2025-2027 Biennium

STAFF RECOMMENDATION:
Move to adopt Resolution No. UR 25-01, A Resolution Adopting the Urban Renewal Budget, Making Appropriations and Declaring Tax Increment for the 2025-2027 Biennium.

EXECUTIVE SUMMARY:
On April 10, 2025, the Urban Renewal Budget Committee met and reviewed the proposed 2025-2027 Biennial Budget. At the meeting, the Committee approved a total budget in the amount of $19,667,700 and requested the maximum amount of revenue that may be raised by dividing the taxes under section 1c, Article IX, of the Oregon Constitution and ORS Chapter 457. The approved budget and tax levy now move to the Urban Renewal Commission for final action of adopting the budget and setting the tax levy. This action must be performed before June 30, 2025. A public notice of this budget hearing was printed in the Oregonian on April 25, 2025.

BACKGROUND:
The 2025-2027 Proposed Biennial Urban Renewal Agency Budget was presented to the Urban Renewal Budget Committee with a budget of $14,254,800 and reflected an incremental assessed value of $65,875,000 in the first year (approximately 25% of the full incremental value), resulting in collections of approximately $1.0 million. For the second year, the budget reflected an incremental assessed value of $136,461,000 (approximately 50% of the full incremental value), resulting in collections of approximately $2.1 million. As mentioned above, the Urban Renewal Budget Committee met on April 10, 2025, and convened with the action of increasing the Urban Renewal Agency levy from the proposed reduced amount to the maximum amount allowed by law. The additional tax revenue increased the budget from $14.3 million to $19.7 million. The total budget amount of $19,667,700 approved by the Budget Committee contains funding for future projects under the direction of the Urban Renewal Commission. In addition, the budget includes payment for costs to administer the agency, rental expenses and $100,000 operating contingency for future consideration by the Commission.

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

OPTIONS:

1. Approve Resolution No. UR 25-01, Adopting the Urban Renewal Budget, Making Appropriations and Declaring Tax Increment for the 2025-2027 Biennium.

2. Deny Resolution No. UR 25-01, Adopting the Urban Renewal Budget, Making Appropriations and Declaring Tax Increment for the 2025-2027 Biennium and provide further direction via a motion to the changes desired. Should the Urban Renewal Commission desire to reduce the tax levy below the maximum amount allowed by law, Oregon Revised Statue 457.455 allows for such but requires the urban renewal agency to consult and confer with each taxing district affected by the urban renewal plan. (ORS 457.455(3). A motion for this option would need to state the approximate percentage of levy desired for both fiscal year 2025-2026 and 2026-2027 and direct staff to modify the amount of budget accordingly to return at an identified meeting in the future. Staff could meet this requirement with phone calls and letters to each district, and the Urban Renewal Commission could conduct a meeting on May 21, 2025 to continue with the budget adoption and tax levy.

BUDGET IMPACT:

Amount	$19,667,700
Fiscal Year(s):	2025-2026 and 2026-2027
Funding Source(s):	Establishes the 2025-2027 Biennial Budget and Declares the Tax Increment and Levy

Oregon City Urban Renewal Agency
Approved Biennial Budget
July 1, 2025, through June 30, 2027

Urban Renewal	2019-2021 Actual	2021-2023 Actual	2023-2025 Amended Budget	2025-2027 Proposed Biennium	2025-2027 Approved Biennium	2025-2027 Adopted Biennium
Resources						
Beginning Fund Balance	$ 5,468,808	$ 2,972,711	$ 9,230,800	$ 10,482,300	$ 10,482,300	$ -
Property Taxes	6,237,989	6,385,201	900,000	3,076,500	8,489,400	-
Rental Income	208,197	225,449	240,000	186,000	186,000	-
Interest Income	181,543	244,369	90,000	500,000	500,000	-
Other Income	126	29,696	30,000	10,000	10,000	-
Total Resources	$ 12,096,663	$ 9,857,426	$ 10,490,800	$ 14,254,800	$ 19,667,700	$ -
Requirements						
Agency Administration	$ 440,000	$ 440,000	$ 440,000	$ 440,000	$ 440,000	$ -
Legal & Consultant Services	176,448	52,967	240,000	460,000	460,000	-
Rental Expenses	64,039	61,080	100,000	127,400	127,400	-
Cost Reimbursement	867,490	-	-	-	-	-
Operating Materials and Supplies	8,947	30,932	14,000	16,000	16,000	-
Capital Outlay	40,450	-	9,632,800	13,111,400	18,524,300	-
Principal and Interest	7,526,578	-	-	-	-	-
Operating Contingency	-	-	64,000	100,000	100,000	-
Unappropriated Fund Balance	2,972,711	9,272,447	-	-	-	-
Total Requirements	$ 12,096,663	$ 9,857,426	$ 10,490,800	$ 14,254,800	$ 19,667,700	$ -

BUDGET HIGHLIGHTS

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

PROPOSED BUDGET HIGHLIGHTS

- Property Taxes: Incremental Assessed Value is $65,875,000 (approx. 25% of the estimated full incremental assessed value) in 2025-26 with approximately $986,000 of expected collections as well as prior years' tax collections of $18,000. Incremental Assessed Value is $136,461,000 (approx. 50% of the estimated full incremental assessed value) in 2026-27, which anticipates approximately $2,050,000 in 2026-27 levy collections plus prior years' tax collections as $22,500.

APPROVED BUDGET HIGHLIGHTS

- Property Taxes: Incremental Assessed Value is stated at maximum incremental assessed value, estimated at $263,498,000 in 2025-26 with approximately $4,150,100 of expected collections as well as prior years' tax collections of $18,000. Incremental Assessed Value is stated at maximum incremental assessed value, estimated at $272,923,000 in 2026-27, which anticipates approximately $4,298,800 in 2026-27 levy collections plus prior years' tax collections as $22,500.

Note - 2025-2027 Proposed Biennium column amounts for Beginning Fund Balance and Operating Contingency do not add across. This is intentional as they represent balances at a specific point in time (beginning or end of the budget period).

Impact of Various Urban Renewal Property Tax Levies

	FY 26					FY 27				
Urban Renewal Collection Rate	0%	25%	50%	75%	100%	0%	25%	50%	75%	100%
Urban Renewal Tax Revenue collected	$0	$986,000	$1,979,000	$2,971,000	$3,963,000	$0	$1,022,000	$2,050,000	$3,077,000	$4,105,000
Change to Proposed UR Budget	($986,000)	$0	$993,000	$1,985,000	$2,977,000	($2,050,000)	($1,028,000)	$0	$1,027,000	$2,055,000
City Tax Revenue collected	$18,120,000	$17,843,000	$17,565,000	$17,290,000	$17,015,000	$18,755,000	$18,468,000	$18,182,000	$17,895,000	$17,610,000
Change to Proposed City Budget	$277,000	$0	($278,000)	($553,000)	($828,000)	$573,000	$286,000	$0	($287,000)	($572,000)

CITY OF OREGON CITY

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

Staff Report

To:	Urban Renewal Commission	**Agenda Date:**	May 7, 2025
From:			

SUBJECT:
Item 3.b. - Cover Water Quality Update

STAFF RECOMMENDATION:

EXECUTIVE SUMMARY:

BACKGROUND:

OPTIONS:
1. Approve Cover Water Quality Update.
2. Approve Cover Water Quality Update with Amendments.
3. Deny Cover Water Quality Update and provide further direction.

BUDGET IMPACT:
Amount $
Fiscal Year(s):
Funding Source(s):