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# CITY OF OREGON CITY URBAN RENEWAL COMMISSION AGENDA

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Hanlon Commission Chambers, Libke Public Safety Facility, 1234 Linn Ave, Oregon City  
Wednesday, February 4, 2026 at 6:00 PM

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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](mailto:recorderteam@orcity.org) or call 503-496-1509 by 3:00 PM on the day of the meeting to register)

- Email [recorderteam@orcity.org](mailto: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
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## **1. CALL TO ORDER AND ROLL CALL**

## **2. PUBLIC COMMENTS**

## **3. DISCUSSION ITEMS**

- a. Election of Chair and Vice Chair
- b. Annual Financial Report for the Fiscal Year Ended June 30, 2025
- c. Downtown Quiet Zone Property Donation

## **4. COMMUNICATIONS**

## **5. ADJOURNMENT**

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### **PUBLIC COMMENT GUIDELINES**

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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.

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### **ADA NOTICE**

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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.



# City of Oregon City Urban Renewal Agency

REPORT TO THE AGENCY OFFICIALS

Year Ended June 30, 2025



# CITY OF OREGON CITY URBAN RENEWAL AGENCY

## Report to the Agency Officials

Year Ended June 30, 2025

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To assist you in your responsibilities as Agency Officials, this section summarizes the most significant conclusions reached and issues addressed during our audit of the City of Oregon City Urban Renewal Agency for the year ended June 30, 2025.

### SIGNIFICANT CONCLUSIONS AND ISSUES

We have completed our audit and issued our report, dated December 8, 2025. Based on our work performed:

- Our audit scope was in accordance with that communicated in our engagement letter for the year ended June 30, 2025.
- We rendered an unmodified opinion on the June 30, 2025 financial statements for the City of Oregon City Urban Renewal Agency.
- We identified no material weaknesses or significant deficiencies in internal controls.
- We performed tests of compliance with the Minimum Standards for Audits of Oregon Municipal Corporations and no instances of noncompliance were reported.

We received the full cooperation of management and staff throughout the audit and were kept informed as to developments and plans affecting our audit scope.

The following report includes required communications and additional information for the benefit of the Urban Renewal Agency Officials.

December 8, 2025

To the Agency Officials  
City of Oregon City Urban Renewal Agency  
Oregon City, Oregon

We have audited the financial statements of the governmental activities and major fund of the City of Oregon City Urban Renewal Agency (the Agency) for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (GAAS), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 22, 2025. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Matters**

#### Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Agency are described in Note 1 to the financial statements. As described in the notes to the financial statements, the Agency changed accounting policies related to compensated absences and risk disclosures by adopting Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* and Statement No. 102, *Certain Risk Disclosures* in fiscal year 2025. We noted no transactions entered into by the Agency during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Agency's financial statements were:

Management's estimate of depreciation expense is based on the Agency's estimated useful lives of capital assets. We evaluated the key factors and assumptions used to estimate useful lives of capital assets and depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of cash and cash equivalents in Note B to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

#### Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. No such misstatements were identified. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

### Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### Management Representations

We have received certain representations from management that are included in the management representation letter dated December 8, 2025.

### Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Agency's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Agency's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### **Other Matters**

We applied certain limited procedures to the management's discussion and analysis which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We subjected the General Fund budgetary comparison schedule, as listed in the table of contents under required supplementary information, to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We were engaged to report on the schedule of property tax transactions which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

### Restriction on Use

This information is intended solely for the information and use of the Agency Officials and management of the City of Oregon City Urban Renewal Agency and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

*Aldrich CPAs + Advisors LLP*

Statement of Net Position				
	June 30, 2025	June 30, 2024	\$ Increase (Decrease)	% Increase (Decrease)
Current and other assets	\$ 10,760,638	\$ 9,749,929	\$ 1,010,709	10.37%
Capital assets	22,515,654	23,403,157	(887,503)	(3.79%)
Total assets	<u>33,276,292</u>	<u>33,153,086</u>	<u>123,206</u>	<u>0.37%</u>
Current liabilities	6,489	30,115	(23,626)	(78.45%)
Total liabilities	<u>6,489</u>	<u>30,115</u>	<u>(23,626)</u>	<u>(78.45%)</u>
Deferred inflows of resources	25,009	76,245	(51,236)	(67.20%)
Net position:				
Net investment in capital assets	22,515,654	23,403,157	(887,503)	(3.79%)
Unrestricted	10,729,140	9,643,569	1,085,571	11.26%
Total net position	<u>\$ 33,244,794</u>	<u>\$ 33,046,726</u>	<u>\$ 198,068</u>	<u>0.60%</u>

- Capital assets decreased year over year due to annual depreciation expense. Ultimately, this led to the 3.79% decrease in net investment in capital assets year over year.
- Deferred inflows of resources relate to leases the Urban Renewal Agency has entered into. Over the term of the lease, deferred inflows of resources will continue to decrease as receipts are received.
- Net position increased \$198,068 primarily due to the decrease in net investment in capital assets offset by an increase in current assets.

Statement of Activities				
	June 30, 2025	June 30, 2024	\$ Increase (Decrease)	% Increase (Decrease)
Revenues				
Property and other taxes	\$ 844,869	\$ 11,876	\$ 832,993	7014.09%
Charges for services	113,846	134,728	(20,882)	(15.50%)
Interest income	514,313	536,250	(21,937)	(4.09%)
Miscellaneous	3,178	7,003	(3,825)	(54.62%)
Total revenues	<u>1,476,206</u>	<u>689,857</u>	<u>786,349</u>	<u>113.99%</u>
Expenses	1,278,138	1,288,684	(10,546)	(0.82%)
Change in net position	198,068	(598,827)	796,895	(133.08%)
Net position, beginning	33,046,726	33,645,553	(598,827)	(1.78%)
Net position, ending	<u>\$ 33,244,794</u>	<u>\$ 33,046,726</u>	<u>\$ 198,068</u>	<u>0.60%</u>

- Property tax revenues increased \$832,993 in the current year due to the Agency declaring an incremental assessed value of \$55,165,000.

December 8, 2025

Aldrich CPAs + Advisors, LLP  
5665 Meadows Rd #200  
Lake Oswego, OR 97035

This representation letter is provided in connection with your audit of the financial statements of the City of Oregon City Urban Renewal Agency (Agency), which comprise the respective financial position of the governmental activities and major fund as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit.

**Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 30, 2025, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Guarantees, whether written or oral, under which the Agency is contingently liable, if any, have been properly recorded or disclosed.

## Information Provided

- 10) We have provided you with:
- a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the Agency from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of Agency or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the Agency and involves—
- Management,
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the Agency's financial statements communicated by employees, former employees, regulators, or others.
- 15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 16) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements.
- 17) We have disclosed to you the names of the Agency's related parties and all the related party relationships and transactions, including any side agreements.

## Government-specific

- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) We have a process to track the status of audit findings and recommendations.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 21) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 22) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 23) The Agency has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 24) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 25) We have appropriately identified, recorded, and disclosed all leases in accordance with GASB No. 87.

- 26) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 27) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 28) The Agency has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 29) The Agency has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 30) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 31) The financial statements include all fiduciary activities required by [GASBS No. 84](#) , as amended.
- 32) The financial statements properly classify all funds and activities in accordance with [GASBS No. 34](#) , as amended.
- 33) All funds that meet the quantitative criteria in [GASBS Nos. 34](#) and [37](#) for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 34) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 35) Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.
- 36) Provisions for uncollectible receivables have been properly identified and recorded.
- 37) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 38) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 39) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 40) Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.
- 41) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 42) We have appropriately disclosed the Agency's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 43) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 44) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 19) With respect to the schedule of property tax transactions:
  - a) We acknowledge our responsibility for presenting the schedule of property tax transactions in accordance with accounting principles generally accepted in the United States of America, and we believe the schedule

of property tax transactions, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the schedule of property tax transactions have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

- b) If the schedule of property tax transactions is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

*Matt Zook*

Signature

*Finance Director*

Title

*G. Wilkie*

Signature

*Deputy Finance Director*

Title

**CITY OF OREGON CITY URBAN RENEWAL AGENCY**  
*(A component unit of the City of Oregon City, Oregon)*  
**ANNUAL FINANCIAL REPORT**

*Year Ended June 30, 2025*

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***AGENCY OFFICIALS***

(as of June 30, 2025)

<b>Name</b>	<b>Term Expires</b>
Doug Neeley	December 31, 2025
Adam Marl	December 31, 2026
Denyse McGriff	December 31, 2026
Rocky Smith, Jr.	December 31, 2026
Laurie Ariniello	December 31, 2027
Michael Mitchell	December 31, 2028
Scott Wilson	December 31, 2028

Agency members may be contacted at:

625 Center Street  
Oregon City, Oregon 97045

Tony Konkol, City Manager  
City Hall  
625 Center Street  
Oregon City, Oregon 97045

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**CITY OF OREGON CITY URBAN RENEWAL AGENCY**  
**(A Component Unit of the City of Oregon City, Oregon)**  
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## INDEPENDENT AUDITOR'S REPORT

Agency Officials  
City of Oregon City Urban Renewal Agency  
Oregon City, Oregon

### **Report on the Audit of the Financial Statements**

#### Opinions

We have audited the accompanying financial statements of the governmental activities and major fund of the City of Oregon City Urban Renewal Agency (the Agency), a component unit of the City of Oregon City, Oregon, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Agency, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

## INDEPENDENT AUDITOR'S REPORT, CONTINUED

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and General Fund schedule of revenues, expenditures, and changes in fund balance – budget and actual be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The General Fund schedule of revenues, expenditures, and changes in fund balance – budget and actual, as listed in the table of contents under required supplementary information, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The accompanying schedule of property tax transactions is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of property tax transactions is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## INDEPENDENT AUDITOR'S REPORT, CONTINUED

### Reports on Other Legal and Regulatory Requirements

#### Other Reporting Required by Oregon State Regulations

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 8, 2025, on our consideration of the Agency's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance.

*Aldrich CPAs + Advisors LLP*

By:



Andrew Maffia, CPA, Partner  
Lake Oswego, Oregon  
December 8, 2025

**CITY OF OREGON CITY URBAN RENEWAL AGENCY**  
**(A Component Unit of the City of Oregon City, Oregon)**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2025

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As management of the Oregon City Urban Renewal Agency (the Agency), we offer readers of the Agency's financial statements this narrative overview and analysis of the financial position and activities of the Agency for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the notes to the basic financial statements.

**Overview of the Financial Statements**

The Agency provides for rehabilitation of blighted and deteriorated areas within the City of Oregon City's designated urban renewal boundary. The Agency is a component unit of the City of Oregon City, Oregon. The governing body of the Agency is the Mayor and City Commission, plus two additional appointed members. The Agency's financial statements consist of agency-wide statements, fund financial statements, notes to the statements, and supplementary information. The agency-wide statements include the Statement of Net Position and the Statement of Activities.

**Statement of Net Position** – The Statement of Net Position presents all the Agency's assets and liabilities with the difference reported as net position. Unrestricted net position represents the Agency's resources that are generally available to finance operations.

**Statement of Activities** – The Statement of Activities focuses on program costs and matching resources. It provides information on the changes to net position. Property taxes are the primary resource for funding urban renewal programs.

**Fund Statements** – Following the agency-wide statements is a section containing fund financial statements (including the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balance) for the Agency's sole fund.

**Notes to the Statements** – The notes to the financial statements provide additional information that is essential to a complete understanding of the data provided in the financial statements.

**Financial Highlights**

	<u>2025</u>	<u>2024</u>	<u>Change</u>
Net position	\$ 33,244,794	\$ 33,046,726	\$ 198,068
Change in net position	\$ 198,068	\$ (598,827)	\$ 796,895

- The Agency's assets exceeded its liabilities by \$33.24 million (reported as net position). Within the net position, \$22.51 million is invested in capital assets. The remaining balance, \$10.73 million, is unrestricted net position and may be used to meet the Agency's obligations to citizens and creditors.
- Total assets increased by \$0.12 million, while liabilities and deferred inflows of resources decreased by \$0.07 million; this results in an increase in net position of \$0.20 million.

**CITY OF OREGON CITY URBAN RENEWAL AGENCY**  
**(A Component Unit of the City of Oregon City, Oregon)**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2025

**Financial Summary**

The following table shows a summary of the statement of net position at fiscal year end and for the previous year end.

**Statements of Net Position at June 30**

	<u>2025</u>	<u>2024</u>
<b>Assets:</b>		
Current and other assets	\$ 10,760,638	\$ 9,749,929
Capital assets, net of depreciation	22,515,654	23,403,157
<b>Total Assets</b>	<b>33,276,292</b>	<b>33,153,086</b>
<b>Liabilities:</b>		
Current liabilities	6,489	30,115
<b>Total Liabilities</b>	<b>6,489</b>	<b>30,115</b>
<b>Deferred inflows of Resources</b>		
Deferred inflows of lease resources	25,009	76,245
<b>Total Deferred Inflows of Resources</b>	<b>25,009</b>	<b>76,245</b>
<b>Net Position:</b>		
Net investment in capital assets	22,515,654	23,403,157
Unrestricted	10,729,140	9,643,569
<b>Total Net Position</b>	<b>\$ 33,244,794</b>	<b>\$ 33,046,726</b>

- Net capital assets decreased by \$887,503 due to depreciation.
- The Agency recognized deferred inflow of lease resources of \$25,009 for properties the Agency owns. The \$0.05 million decrease is due to recognition of the annual receipts.

The following table presents a summary of revenues, expenses and changes in net position for the Agency during the current year and prior year.

**Statements of Activities**  
**For the Years Ended June 30**

	<u>2025</u>	<u>2024</u>
<b>Revenues:</b>		
Property taxes	\$ 843,015	\$ 11,876
Assessments and other taxes	1,854	-
Charges for services	113,846	134,728
Interest income	514,313	536,250
Miscellaneous	3,178	7,003
<b>Total Revenues</b>	<b>1,476,206</b>	<b>689,857</b>
<b>Expenses:</b>		
Programs	1,278,138	1,288,684
<b>Change in Net Position</b>	<b>198,068</b>	<b>(598,827)</b>
<b>Beginning Net Position</b>	<b>33,046,726</b>	<b>33,645,553</b>
<b>Ending Net Position</b>	<b>\$ 33,244,794</b>	<b>\$ 33,046,726</b>

- The Agency generated approximately \$843,000 in tax increment property taxes from prior year collections. This was an increase of \$0.83 million more than the prior year. The increase was due to no levy collections for the prior fiscal year as the Urban Renewal Commission declared an Incremental Assessed Value of \$0. The Urban Renewal Commission declared an Incremental

**CITY OF OREGON CITY URBAN RENEWAL AGENCY**  
**(A Component Unit of the City of Oregon City, Oregon)**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2025

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Assessed Value of \$55,165,000 in the current fiscal year.

- The \$0.02 million decrease, or 4.09%, in interest income was due to a reduction in interest rates at the Local Government Investment Pool (LGIP).
- The Agency expenses remained relatively flat at \$1.28 million due to ongoing operation costs while the Agency continues to identify projects to fund in the upcoming biennium. Further information on this is found below under Economic Factors and in the Notes to the Financial Statements.

### **Budget Variances**

The budget for the Agency was adopted on a biennial basis for the period beginning July 1, 2023 and ending June 30, 2025. There were no budget amendments during the year. There are no significant budget variances.

### **Capital Assets**

At June 30, 2025, the Agency had \$22.51 million invested in capital assets including land, land improvements and street projects. There was no capital spending during the year. See notes to the financial statements for additional information on capital assets.

### **Economic Factors and Next Year's Budget and Rates**

The Urban Renewal Agency's goals include the elimination of blight within the Area and implementation of the objectives of Oregon City's Comprehensive Plan, including designation of the City as a "Regional Center" within the State's largest metropolitan area. The Area continues to thrive with infrastructure and surface enhancements and community programs like farmers markets, special events, and holiday celebrations.

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

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

On May 16, 2023, voters rejected Measure 3-597, which requested the approval for the Urban Renewal Agency to borrow up to \$44 million for projects in the Urban Renewal Plan. During the 2025-27 budget adoption process, the Urban Renewal Commission declared an Incremental Assessed Value of \$65,875,000 for fiscal year 2025-26, which anticipates approximately \$986,000 with prior year collections as \$18,000 and an Incremental Assessed Value of \$68,230,000, which anticipates approximately \$1,022,000 in fiscal year 2026-27 levy collections with prior year collections at \$22,500. Both years are levied at approximately 25% of the estimated full incremental assessed value.

### **Requests for Information**

This financial report is designed to provide a general overview of the Oregon City Urban Renewal Agency's finances. Questions concerning the information provided in this report or requests for additional financial information should be addressed to the Finance Director, P.O. Box 3040, Oregon City, Oregon 97045.

***BASIC FINANCIAL STATEMENTS***

**CITY OF OREGON CITY URBAN RENEWAL AGENCY**  
**(A Component Unit of the City of Oregon City, Oregon)**  
STATEMENT OF NET POSITION  
JUNE 30, 2025

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**ASSETS**

Cash and cash equivalents	\$ 10,683,710
Accounts receivable	44
Property taxes receivable	48,679
Lease receivable	27,098
Lease interest receivable	67
Deposits & prepaids	1,040
Nondepreciable capital assets	5,084,459
Depreciable capital assets, net	<u>17,431,195</u>

<b>TOTAL ASSETS</b>	<u>33,276,292</u>
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**LIABILITIES**

Accounts payable	4,689
Deposits	<u>1,800</u>

<b>TOTAL LIABILITIES</b>	<u>6,489</u>
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**DEFERRED INFLOWS OF RESOURCES**

Deferred inflows of lease resources	<u>25,009</u>
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<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>25,009</u>
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**NET POSITION**

Net investment in capital assets	22,515,654
Unrestricted	<u>10,729,140</u>

<b>TOTAL NET POSITION</b>	<u><u>\$ 33,244,794</u></u>
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The notes to the financial statements are an integral part of this statement

**CITY OF OREGON CITY URBAN RENEWAL AGENCY**  
**(A Component Unit of the City of Oregon City, Oregon)**  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2025

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<b>PROGRAM EXPENSES</b>	
General government	\$ 390,635
Depreciation	<u>887,503</u>
<b>TOTAL EXPENSES</b>	<u>1,278,138</u>
<b>PROGRAM REVENUES</b>	
Charges for services	<u>113,846</u>
<b>TOTAL PROGRAM REVENUE</b>	<u>113,846</u>
<b>NET PROGRAM REVENUE (EXPENSE)</b>	(1,164,292)
<b>GENERAL REVENUES</b>	
Property taxes	843,015
Assessments and other taxes	1,854
Interest income	514,313
Miscellaneous	<u>3,178</u>
<b>TOTAL GENERAL REVENUE</b>	<u>1,362,360</u>
<b>CHANGE IN NET POSITION</b>	198,068
<b>BEGINNING NET POSITION</b>	<u>33,046,726</u>
<b>NET POSITION, END OF YEAR</b>	<u><u>\$ 33,244,794</u></u>

The notes to the financial statements are an integral part of this statement

**CITY OF OREGON CITY URBAN RENEWAL AGENCY**  
**(A Component Unit of the City of Oregon City, Oregon)**  
BALANCE SHEET – URBAN RENEWAL AGENCY  
JUNE 30, 2025

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**ASSETS**

Cash and cash equivalents	\$ 10,683,710
Accounts receivable	44
Property taxes receivable	48,679
Lease receivable	27,098
Lease interest receivable	67
Deposits & prepaids	<u>1,040</u>

**TOTAL ASSETS** \$ 10,760,638

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND  
FUND BALANCE**

**LIABILITIES**

Accounts payable	\$ 4,689
Deposits	<u>1,800</u>

**TOTAL LIABILITIES** 6,489

**DEFERRED INFLOWS OF RESOURCES**

Unavailable revenue	39,253
Deferred inflows of lease resources	<u>25,009</u>

**TOTAL DEFERRED INFLOW OF RESOURCES** 64,262

**FUND BALANCE**

Non-spendable	1,040
Unassigned	<u>10,688,847</u>

**TOTAL FUND BALANCE** 10,689,887

**TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES,  
AND FUND BALANCE** \$ 10,760,638

The notes to the financial statements are an integral part of this statement

**CITY OF OREGON CITY URBAN RENEWAL AGENCY**  
**(A Component Unit of the City of Oregon City, Oregon)**  
 RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION  
 JUNE 30, 2025

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**FUND BALANCE** \$ 10,689,887

The Statement of Net Position reports receivables at their net realizable value. However, receivables not available to pay for current period expenditures are deferred in governmental funds. 39,253

Capital assets are not financial resources in governmental funds, but are reported in the Statement of Net Position at their net depreciable value.

Cost	40,584,568
Accumulated depreciation	<u>(18,068,914)</u>

**NET POSITION** \$ 33,244,794

The notes to the financial statements are an integral part of this statement

**CITY OF OREGON CITY URBAN RENEWAL AGENCY**  
**(A Component Unit of the City of Oregon City, Oregon)**  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –  
URBAN RENEWAL AGENCY  
YEAR ENDED JUNE 30, 2025

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**REVENUES**

Property taxes	\$ 844,716
Assessments and other taxes	1,854
Charges for services	113,846
Interest income	514,313
Miscellaneous	<u>3,178</u>

**TOTAL REVENUES** 1,477,907

**EXPENSES**

Current operating:	
General government	<u>390,635</u>

**TOTAL EXPENDITURES** 390,635

**NET CHANGE IN FUND BALANCE** 1,087,272

**FUND BALANCE, BEGINNING OF YEAR** 9,602,615

**FUND BALANCE, END OF YEAR** \$ 10,689,887

The notes to the financial statements are an integral part of this statement

**CITY OF OREGON CITY URBAN RENEWAL AGENCY**  
**(A Component Unit of the City of Oregon City, Oregon)**  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE TO THE STATEMENT OF ACTIVITIES  
 YEAR ENDED JUNE 30, 2025

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**NET CHANGE IN FUND BALANCE** \$ 1,087,272

Amounts reported in the Statement of Activities are different because:

Governmental funds consider revenues that do not provide current financial resources to be unavailable revenue. However, the Statement of Activities recognizes such revenues at their net realizable value when earned, regardless of when received. (1,701)

Capital outlays are reported as expenditures in governmental funds. However, the Statement of Activities allocates the cost of capital outlay over their estimated useful lives as depreciation expense.

Depreciation (887,503)

**CHANGE IN NET POSITION** \$ 198,068

The notes to the financial statements are an integral part of this statement

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Urban Renewal Agency (Agency) of the City of Oregon City, Oregon (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting standards. The more significant of the Agency's accounting policies are described below.

**Reporting Entity**

The Agency, a component unit of the City of Oregon City, was created on October 5, 1983 to provide for rehabilitation of blighted and deteriorated areas within the City's designated urban renewal areas. The Agency is governed by a seven-member board of directors that include the City's mayor and other commission members.

The Agency is a legally separate entity governed by the Agency's Board. The City Commission has the ability to impose its will over the Agency as determined on the basis of budget adoption, taxing authority and funding for the Agency. Therefore, under the criteria of the Governmental Accounting Standards Board, the Agency is considered a component unit of the City and the Agency's financial activities are included as a blended component unit (a special revenue fund) in the financial statements of the City.

**Basic Financial Statements**

Basic financial statements are presented at both the government-wide and fund financial levels. All of the Agency's activities are categorized as governmental activities.

*Government-wide financial statements* display information about the reporting government as a whole. These statements focus on the sustainability of the Agency as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the Statement of Net Position and the Statement of Activities.

*Fund financial statements* display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental, proprietary or fiduciary. Currently, the Agency has one governmental fund.

**Basis of Presentation**

The financial transactions of the Agency are recorded in a single individual fund accounted for by providing a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues and expenses.

GAAP set forth minimum criteria (percentage of the assets, liabilities, revenues or expenses of either fund category or the government and enterprise combined) for the determination of major funds. The Agency's sole fund is considered a major fund. The Downtown Urban Renewal Agency Fund accounts for property taxes collected to improve the Downtown District.

**Measurement Focus and Basis of Accounting**

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Agency receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied.

Governmental fund financial statements are reported using the current financial resources

**CITY OF OREGON CITY URBAN RENEWAL AGENCY**  
**(A Component Unit of the City of Oregon City, Oregon)**  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025

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measurement focus and modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Agency considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Property taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt and claims and judgments, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from long-term debt are reported as other financing sources.

The accounts of the Agency are organized and operated as a single fund. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the agency-wide statements, reconciliations are provided to explain the differences between the fund financial statements and the agency-wide statements.

**Assets, Liabilities, Deferred Inflows/Outflows of Resources, and Net Position/Fund Balance**

**Cash, Cash Equivalents and Investments**

The Agency maintains cash, cash equivalents and investments in a common pool maintained by the City.

Oregon Revised Statutes authorize the Agency to invest in certificates of deposit, savings accounts, bank repurchase agreements, bankers' acceptances, general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon Municipalities and the State Treasurer's Local Government Investment Pool, among other options. Investments are stated at fair value.

**Receivables and Deferred Inflows/Outflows of Resources**

Property taxes are levied by the County Assessor and collected by the County Tax Collector. The taxes are levied and become a lien as of July 1. They may be paid in three installments of equal payments due November 15, February 15, and May 15. Uncollected property taxes levied for the current and prior years are recorded as a receivable at year-end. The Agency's property tax collection records show that most of the property taxes due are collected during the year of levy and delinquent taxes are collected in the next few years.

In the fund financial statements, property taxes receivable that have been collected within 60 days of fiscal year-end are considered measurable and available and are recognized as revenue. The remaining balance is recorded as a deferred inflow of resources as it is deemed unavailable to finance operations of the current period. In the government-wide financial statements, property taxes receivable are recognized as revenue when earned.

Lease receivables are recognized at the net present value of the leased assets, reduced by principal payments received. The net present value is calculated using a borrowing rate either explicitly described in the agreement or implicitly determined by the Agency. The Agency also reports deferred inflows of resources for leases.

**Capital Assets**

Capital assets (items costing more than \$10,000 and lasting more than one year) are valued at estimated historical cost or actual historical cost. Capital assets are recorded as expenditures in the fund financial statements and capitalized on the Statement of Net Position. Maintenance and repairs of fixed assets are charged to expenditures in the fund as incurred and are not capitalized. Upon disposal, the capital

**CITY OF OREGON CITY URBAN RENEWAL AGENCY**  
**(A Component Unit of the City of Oregon City, Oregon)**  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025

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asset records are relieved of the related cost. Depreciation is computed on capital assets on the straight-line basis of their estimated useful lives up to 40 years. Interest is not capitalized as a cost of construction of capital assets.

**Fund Balance**

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Agency is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Governmental Fund type fund balances are required to be reported in the following classifications, when applicable.

Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, and assets held for resale.

Fund balance is reported as restricted when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the Agency takes formal action that places specific constraints on how the resources may be used. The Agency can modify or rescind the commitment at any time through taking a similar formal action.

Resources that are constrained by the Agency's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent is expressed when the Agency approves which resources should be "reserved" during the adoption of the annual budget. The Agency's Finance Director uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in the Agency's Annual Financial Report.

Unassigned fund balance is the residual classification for the fund. This classification represents fund balance that has not been restricted, committed, or assigned within the fund.

**Budget and Budgetary Accounting**

A biennial budget is prepared for the Agency's fund in accordance with the modified accrual basis of accounting. Appropriations are made at the organizational unit and object levels (Oregon City Urban Renewal Agency, Debt Service and Contingency). Expenditures may not legally exceed appropriations. Appropriations lapse at the end of each biennium. Budget amounts include original approved amounts and all subsequent appropriation transfers approved by the Agency. After budget approval, the Agency may approve supplemental appropriations through the use of appropriation resolutions and require supplemental budget procedures in some cases if an occurrence, condition, or need exists which had not been ascertained at the time the budget was adopted. A supplemental budget requires hearings before the public, publications in newspapers and approval by the Agency Board.

**Use of Estimates**

The preparation of basic financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from those estimates.

**CITY OF OREGON CITY URBAN RENEWAL AGENCY**  
**(A Component Unit of the City of Oregon City, Oregon)**  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025

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**B. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents are comprised of the following at June 30, 2025:

Deposits with financial institutions	\$ 27,640
Local Government Investment Pool	<u>10,656,070</u>
Total cash and cash equivalents	<u><u>\$ 10,683,710</u></u>

**Deposits**

The book balance and bank balance of the Agency’s bank deposits (checking accounts) was \$27,640 at year end. Bank deposits are secured to legal limits by federal deposit insurance. Any remaining amount is secured in accordance with ORS 295 under the collateral program administered by the Oregon State Treasurer.

**Custodial Credit Risk - Deposits**

This is the risk that in the event of a bank failure, the Agency’s deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the Agency’s deposits with financial institutions for up to \$250,000 each for the aggregate of all demand deposits and the aggregate of all time deposit and savings accounts at each financial institution. Deposits in excess of FDIC coverage are held with institutions participating in the Oregon Public Funds Collateralization Program (PFCP). The PFCP is a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. As of June 30, 2025, none of the Agency’s bank balances were exposed to custodial credit risk.

**State of Oregon Local Government Investment Pool**

The Agency invests in the Local Government Investment Pool (LGIP). The LGIP is not registered with the U.S. Securities and Exchange Commission as an investment company. Oregon Revised Statutes 294.805 to 294.895 and the Oregon Investment Council govern the LGIP’s investment policies. The State Treasurer is the investment officer responsible for the funds, and investments are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board. The fair value of pool shares is equal to the Agency’s proportionate position in the pool.

Balances in the State of Oregon LGIP are stated at fair value. Fair value is determined at the quoted market price, if available; otherwise the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. The Oregon State Treasury administers the LGIP. The LGIP is an unrated, open-ended, no-load, diversified portfolio offered to any agency, political subdivision or public corporation of the state who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State’s short-term funds. To provide regulatory oversight, the Oregon Legislature established the Oregon Short-Term Fund Board and LGIP investments are approved by the Oregon Investment Council. The fair value of the Agency’s position in the LGIP is the same as the value of the pool shares.

**CITY OF OREGON CITY URBAN RENEWAL AGENCY**  
**(A Component Unit of the City of Oregon City, Oregon)**  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025

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**Interest Rate Risk**

In accordance with its investment policy, the Agency manages its exposure to declines in fair value of its investments by limiting the weighted average maturity of its investments, specifically by maintaining funds in the Local Government Investment Pool.

**Custodial Risk - Investments**

For an investment, this is the risk that, in the event of a failure of the counterparty, the Agency will not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party. Currently the Agency's investments are limited to the LGIP.

The LGIP is administered by the Oregon State Treasury with the advice of other state agencies and is not registered with the U.S. Securities and Exchange Agency. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made the custodian of or has control of any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short-term Fund Board, which has established diversification percentages and specifies the types and maturities of the investments. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP. These investments within the LGIP must be invested and managed as a prudent investor would, exercising reasonable care, skill and caution. Professional standards indicate that the investments in external investment pools are not subject to custodial risk because they are not evidenced by securities that exist in physical or book entry form. Nevertheless, management does not believe that there is any substantial custodial risk related to investments in the LGIP.

**C. LEASE RECEIVABLE**

The Agency recognizes a lease receivable for the following contracts in which the Agency, acting as a lessor, grants a lessee the right to use an asset of the Agency.

The Agency has a five-year lease, expiring in fiscal year 2026, for the premises located at 1757 Washington Street, and a two-year lease, which expired in fiscal year 2025, for a portion of the real property located at 1799 Washington Street. Inflows of resources from these two leases are recorded in the Urban Renewal Fund.

Lease receivables at June 30, 2025, consisted of the following:

	<b>Outstanding June 30, 2024</b>	<b>Additions</b>	<b>Decrease</b>	<b>Outstanding June 30, 2025</b>
Facility Lease, issued June 1, 2021, interest rate at 2.96%, total annual principal and interest ranges from \$27,600 to \$30,000, due 2026	\$ 55,836	\$ -	\$ (28,738)	\$ 27,098
Facility Lease, issued January 1, 2021, interest rate at 2.50%, total annual principal and interest ranges from \$46,100 to \$47,300, due 2025	24,660	-	(24,660)	-
<b>Total lease receivables</b>	<b>\$ 80,496</b>	<b>\$ -</b>	<b>\$ (53,398)</b>	<b>\$ 27,098</b>

**CITY OF OREGON CITY URBAN RENEWAL AGENCY**  
**(A Component Unit of the City of Oregon City, Oregon)**  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025

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Future maturities are as follows:

<b>Fiscal Year</b> <b>Ending June 30,</b>	<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2026	27,098	402
	<u>\$ 27,098</u>	<u>\$ 402</u>

**D. CAPITAL ASSETS**

The changes in the capital assets for governmental activities for the year ended June 30, 2025 are as follows:

	<b>June 30, 2024</b>	<b>Additions</b>	<b>Retirements</b>	<b>Reclasses</b>	<b>June 30, 2025</b>
Nondepreciable capital assets					
Land	\$ 5,084,459	\$ -	\$ -	\$ -	\$ 5,084,459
Total non-depreciable	5,084,459	-	-	-	5,084,459
Depreciable capital assets					
General improvements	35,500,109	-	-	-	35,500,109
Total depreciable	35,500,109	-	-	-	35,500,109
Accumulated depreciation					
General improvements	(17,181,411)	(887,503)	-	-	(18,068,914)
Total accumulated depreciation	(17,181,411)	(887,503)	-	-	(18,068,914)
Depreciable capital assets, net	18,318,698	(887,503)	-	-	17,431,195
Total capital assets, net	<u>\$ 23,403,157</u>	<u>\$ (887,503)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,515,654</u>

**E. TAX ABATEMENTS**

The Agency enters into property tax abatement agreements with local businesses under the state Vertical Housing Program, authorized by ORS 307.841 through ORS 307.867, administered by Oregon Housing and Community Services, authorized by ORS 456.555 and Oregon Administrative Rule (OAR) 813-013. The purpose of the Program is to encourage investment in and rehabilitation of properties in targeted areas of a city or community, to augment the availability of appropriate housing, and to revitalize communities. The program encourages mixed-use developments that contain both non-residential and residential uses in areas (zones) designated by local jurisdictions. Eligible projects receive a partial property tax exemption which varies with the number of "Equalized Floors" in a project, with a maximum property tax exemption of 80% over a 10-year term. The City has one project under this program. The exemption is 60% of the residential property taxes for 10 years. For the current year, the abatement is \$3,026 for Urban Renewal.

Additionally, the State of Oregon under the Oregon Business Development Department offers an Enterprise Zone (EZ) Tax Abatement program, authorized by ORS 285C. Under this program, local governments are responsible for creating, managing and renewing enterprise zones. In exchange for

**CITY OF OREGON CITY URBAN RENEWAL AGENCY**  
**(A Component Unit of the City of Oregon City, Oregon)**  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025

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locating or expanding into an enterprise zone, eligible (generally non-retail) businesses receive total exemption from the property taxes normally assessed on new plant and equipment for three to five years after the property is in service. Minimum eligibility requirements include an increase in full-time, permanent employment by 10%, maintaining minimum employment levels during the exemption period, and employee wages to exceed at least 150% of the State minimum wage. The Agency has one agreement under this program. For the current year, the abatement is approximately \$3,077 for Urban Renewal.

**F. NEW ACCOUNTING PRONOUNCEMENTS**

The Agency will implement new GASB pronouncements no later than the required fiscal year. During the fiscal year ended June 30, 2025, the Agency implemented the following GASB pronouncements:

*GASB Statement No. 101, Compensated Absences.* This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. It also provides guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of liabilities. The Agency did not employ any personnel in the fiscal year ending June 30, 2025. Therefore, there are no effects on the Agency's financial statements upon implementation.

*GASB Statement No. 102, Certain Risk Disclosures.* This statement enhances financial reporting by providing users of financial statements with essential information that currently is not provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. The Agency did not have any concentrations or constraints that could cause risk of substantial impact in the fiscal year ending June 30, 2025. Therefore, there are no effects on the Agency's financial statements upon implementation.

**G. OTHER INFORMATION**

The Urban Renewal Commission declared an Incremental Assessed Value of \$55,165,000 for the second fiscal year of the 2023-2025 biennial budget. Therefore, the Agency levied approximately 25% of its total tax during the fiscal year ended June 30, 2025.

**H. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 8, 2025, the date on which the financial statements were available to be issued. There were no significant subsequent events.

***REQUIRED SUPPLEMENTARY INFORMATION***

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**CITY OF OREGON CITY URBAN RENEWAL AGENCY**  
**(A Component Unit of the City of Oregon City, Oregon)**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - URBAN RENEWAL AGENCY  
YEAR ENDED JUNE 30, 2025

	Budget Amounts		Actual			Variance
	Original	Final	FY 2024	FY 2025	Biennial	
<b>REVENUES</b>						
Property taxes	\$ 888,000	\$ 888,000	\$ 38,783	\$ 844,716	\$ 883,499	\$ (4,501)
Assessments and other taxes	12,000	12,000	14,585	1,854	16,439	4,439
Charges for services	240,000	240,000	134,728	113,846	248,574	8,574
Interest income	90,000	90,000	536,250	514,313	1,050,563	960,563
Miscellaneous	30,000	30,000	7,003	3,178	10,181	(19,819)
<b>Total Revenues</b>	<b>1,260,000</b>	<b>1,260,000</b>	<b>731,349</b>	<b>1,477,907</b>	<b>2,209,256</b>	<b>949,256</b>
<b>EXPENSES</b>						
General government	10,426,800	10,426,800	401,181	390,635	791,816	9,634,984
Contingency	64,000	64,000	-	-	-	64,000
<b>Total Expenditures</b>	<b>10,490,800</b>	<b>10,490,800</b>	<b>401,181</b>	<b>390,635</b>	<b>791,816</b>	<b>9,698,984</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(9,230,800)</b>	<b>(9,230,800)</b>	<b>330,168</b>	<b>1,087,272</b>	<b>1,417,440</b>	<b>10,648,240</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>9,230,800</b>	<b>9,230,800</b>	<b>9,272,447</b>	<b>9,602,615</b>	<b>9,272,447</b>	<b>41,647</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,602,615</b>	<b>\$ 10,689,887</b>	<b>\$ 10,689,887</b>	<b>\$ 10,689,887</b>

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***OTHER SUPPLEMENTARY INFORMATION***

**CITY OF OREGON CITY URBAN RENEWAL AGENCY**  
**(A Component Unit of the City of Oregon City, Oregon)**  
**SCHEDULE OF PROPERTY TAX TRANSACTIONS**  
**YEAR ENDED JUNE 30, 2025**

<b>Tax Year</b>	<b>Uncollected Balances June 30, 2024</b>	<b>2024-2025 Levy</b>	<b>Interest, Discounts &amp; Adjustments</b>	<b>Turnovers</b>	<b>Uncollected Balances June 30, 2025</b>
2024-25	\$ -	\$ 867,416	\$ (23,742)	\$ (821,092)	\$ 22,582
2023-24	-	-	-	-	-
2022-23	26,082	-	462	(12,667)	13,877
2021-22	11,681	-	1,184	(7,436)	5,429
2020-21	4,411	-	689	(3,514)	1,586
2019-20 and prior	5,991	-	231	(1,017)	5,205
<b>Total</b>	<b>\$ 48,165</b>	<b>\$ 867,416</b>	<b>\$ (21,176)</b>	<b>\$ (845,726)</b>	<b>\$ 48,679</b>

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## INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Agency Officials  
City of Oregon City Urban Renewal Agency  
Oregon City, Oregon

We have audited the basic financial statements of the City of Oregon City Urban Renewal Agency (the Agency) as of and for the year ended June 30, 2025, and have issued our report thereon dated December 8, 2025. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

### Compliance

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

In connection with our testing nothing came to our attention that caused us to believe the Agency was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

### OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

**INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS,  
CONTINUED**

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies may exist that were not identified.

**Restriction on Use**

This report is intended solely for the information and use of the Agency Officials and management of the City of Oregon City Urban Renewal Agency and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

*Aldrich CPAs + Advisors LLP*

By:



Andrew Maffia, CPA, Partner  
Lake Oswego, Oregon  
December 8, 2025



## CITY OF OREGON CITY

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

### Staff Report

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**To:** Urban Renewal Commission      **Agenda Date:** February 4, 2026  
**From:** Dayna Webb, Public Works Director

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#### **SUBJECT:**

Item 3.c. - Downtown Quiet Zone Property Donation

#### **STAFF RECOMMENDATION:**

Staff recommends that the Urban Renewal Agency authorize the Urban Renewal Executive Director to execute the Donation Agreement for the permanent sidewalk easement and a temporary easement for the construction of the Downtown Quiet Zone Project.

#### **EXECUTIVE SUMMARY:**

The Urban Renewal Agency is being asked to consider its role in supporting the Downtown Quiet Zone Project, a public infrastructure project that will reduce routine train horn noise at the 10th and 11th Street crossings while adding enhanced safety features. The project is expected to improve downtown livability, pedestrian safety, and development potential, advancing the District's revitalization goals. As part of the project, the Agency may consider donating a permanent easement for sidewalk and a temporary construction easement, in accordance with federal and state law allowing voluntary donation of property rights.

#### **BACKGROUND:**

The Oregon City Urban Renewal District is intended to encourage investment and revitalization within the Downtown/Northend area by addressing infrastructure needs, supporting redevelopment, and enhancing economic and community vitality, including:

- Investing in public infrastructure that improves mobility, safety, and amenities (e.g., lighting, multi-modal connections, and public facilities) to support growth and activity downtown.
- Encouraging adaptive reuse and rehabilitation of older buildings to preserve historic assets, enhance safety, and support economic vibrancy.
- Enhancing the development potential of key sites (e.g., through projects like the Quiet Zone) to enable new retail, housing, and mixed-use opportunities.
- Aligning urban renewal projects with the City's broader Comprehensive Plan goals for livability, economic development, and community quality of life.

The Downtown Quiet Zone Project is a public infrastructure project that would establish a designated quiet zone along the downtown rail corridor at the 10th and 11th Street crossings, directing trains to cease routine horn sounding except in emergency situations. In addition to existing flashing signals and audible bells, the project would include installation of additional safety features at both crossings to meet quiet zone requirements. Reducing

train horn noise is expected to improve the downtown environment for residents, businesses, and visitors while increasing the attractiveness and development potential of nearby properties.

The Downtown Quiet Zone Project is one of seven priorities identified in the 2023 Urban Renewal Plan and directly advances the District’s goals by improving safety, livability, and redevelopment readiness. By enhancing infrastructure and reducing noise impacts, the project supports reinvestment along the rail corridor and helps make key sites more viable for retail and housing development, strengthening long-term economic vitality in the downtown core.

As part of supporting the Downtown Quiet Zone Project, the Urban Renewal Agency may consider donating a permanent easement for sidewalk improvements, as well as a temporary construction easement to accommodate work areas during project installation. Under federal law (the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, PL 91-646, as amended) and state law (ORS 35.510, as amended), property owners are generally entitled to just compensation when government agencies acquire or enter private property for public projects. Alternatively, these laws allow property owners, including the Urban Renewal Agency, to voluntarily waive their right to compensation and donate the necessary property rights to support a public improvement. Donation of these easements would enable the project to proceed efficiently, enhance pedestrian access and safety, and advance long-term downtown revitalization goals.

**OPTIONS:**

- 1. Authorize the Urban Renewal Executive Director to execute the Donation Agreement and release ODOT from providing a valuation report.
- 2. Request just compensation for the property rights in accordance with federal and state law.

**BUDGET IMPACT:**

Amount                    \$0  
Fiscal Year(s):        N/A  
Funding Source(s):    N/A



October 31, 2025

Oregon City Urban Renewal Agency  
625 Center Street  
Oregon City, OR 97045-2253

File No. 10069-001  
Oregon City Quiet Zone  
922 Main Street

To Whom It May Concern:

As you may be aware, Oregon City is in the final stage of design for the Oregon City Quiet Zone project which affects property that our records show you own. Specifically, Oregon City has a need for a permanent sidewalk easement and a temporary construction easement from your property to complete this project. Oregon City has asked Universal Field Services to acquire the necessary property rights needed for this project.

When a public improvement project requires any government agency or its contractor to acquire or enter upon private property, the owners of that property are entitled to compensation under federal and state law. Federal law is the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended, PL 91-646, and state law is in Oregon Revised Statutes, 35.510, as amended.

Alternatively, you may waive your rights to just compensation. The above federal and state law allows property owners to donate necessary property rights if they wish. To accomplish a donation, you only need to acknowledge that the agency has informed you of the right to compensation and that you wish to donate.

Enclosed for your review are the easement legal descriptions along with an Donation Form. ***Please check the appropriate box, sign, and return to me.*** If you choose to donate we will prepare the easement documents for your signature.

Please feel free to contact me toll free at 877-501-7282 or at [bbliss@ufsrw.com](mailto:bbliss@ufsrw.com) if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Bliss", with a long horizontal flourish extending to the right.

Barry Bliss  
Project Manager  
Universal Field Services

Enclosures:  
Permanent Sidewalk and Temporary  
Construction Easement Exhibits A & B  
Donation Form

Oregon City Urban Renewal Agency, a  
Municipal corporation of the State of Oregon  
625 Center Street  
Oregon City, OR 97045-2253

<b>File No.:</b>	10069-001
<b>Grantor:</b>	Oregon City Urban Renewal Agency
<b>Section:</b>	Oregon City Quiet Zone
<b>Highway:</b>	
<b>County:</b>	Clackamas
<b>FAP No.:</b>	5520(034)

### DONATION AGREEMENT

When a public improvement project requires any government agency or its contractor to acquire or enter upon private property, the owners of that property are entitled to compensation under federal and state law. Federal law is the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended, PL 91-646, and state law is in Oregon Revised Statutes, 35.510, as amended.

The above federal and state laws also allow property owners to donate necessary property rights if they wish. To accomplish a donation, you only need to acknowledge that the agency has informed you of the right to compensation and that you wish to donate.

If you elect to donate the property rights as described in the attached Exhibit A or deed, subject to the above information, please date and sign this Donation Agreement in the space below.

I release ODOT from providing a valuation report.

\_\_\_\_\_  
(Authorized to sign on behalf of, Oregon City Urban Renewal Agency)

\_\_\_\_\_  
Date

**PARCEL 1 - Permanent Easement for Sidewalk**

A parcel of land, as shown on attached Exhibit “B”, lying in the Northeast One-Quarter of Section 31, Township 2 South, Range 2 East, of the Willamette Meridian, being a portion of Block 22, OREGON CITY, in the City of Oregon City, Clackamas County, Oregon, and being a portion of that property described in that the bargain and sale deed recorded October 26, 2001, as Recorder’s No. 2001-088835, Clackamas County Records; the said parcel being that portion of said property included in a strip of land variable in width, lying on the Southwesterly side of the centerline of 10th Street, which centerline is described as follows:

Beginning at the intersection of the centerlines of Main Street and 10th Street, said point being 10<sup>th</sup> Street centerline station 0+00.00, said point bearing North 54°53’40” East 334.43 feet of a tack in concrete in a monument box at the intersection of centerlines of Main Street and 9th Street; thence South 35°06’20” East 240.00 feet to 10th Street centerline station 2+40.00

The width in feet of said strip of land is as follows:

Station	T	Station	Width on Right Side of Center Line
1+56.69		1+69.40	30.00’ to 55.13’
1+69.40		1+90.00	55.13’ to 57.57’

Bearings are based on the centerline of Main Street from the aforementioned centerline monument as calculated from GNSS observations using the Oregon Coordinate Reference System, Portland Zone for the horizontal datum.

Contains in all 399 square feet more or less, outside the existing right of way.

**Parcel 2 –Temporary Easement For Work Area (3 years or duration of Project, whichever is sooner)**

A parcel of land, as shown on attached Exhibit “B”, lying in the Northeast One-Quarter of Section 31, Township 2 South, Range 2 East, of the Willamette Meridian, being a portion of Block 22, OREGON CITY, in the City of Oregon City, Clackamas County, Oregon, and being a portion of that property described in that the bargain and sale deed recorded October 26, 2001, as Recorder’s No. 2001-088835, Clackamas County Records; the said

parcel being that portion of said property included in a strip of land variable in width, lying on the Southwesterly side of the centerline described in Parcel 1

The width in feet of said strip of land is as follows:

Station	T	Station	Width on Right Side of Center Line
0+30		1+50.54	40.00'
1+50.54		1+62.89	40.00' to 64.43'
1+62.89		1+90.00	64.43' to 67.64'

EXCEPT that portion which lies in the above described Parcel 1.

Bearings are based on the centerline of Main Street from the tack in concrete in a monument box at the intersection of centerlines of Main Street and 9th Street as calculated from GNSS observations using the Oregon Coordinate Reference System, Portland Zone for the horizontal datum.

Contains in all 1,661 square feet more or less, outside the existing right of way.

REGISTERED  
PROFESSIONAL  
LAND SURVEYOR

OREGON  
MARCH 8, 2022  
MATTHEW L. YATES  
86439

EXPIRES: 6/30/2026

N 54°53'40" E

Main Street

0+00.00

# EXHIBIT "B"

File No. 10069-001

0+30 40.00'

30.00'

0+50.00

LOT 8

REGISTERED  
PROFESSIONAL  
LAND SURVEYOR

S 35°06'20" E

1+00.00

OREGON  
MARCH 8, 2022  
MATTHEW L. YATES  
86439

EXPIRES: 6/30/2026

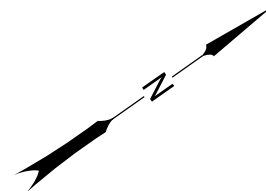
10th Street

CITY OF OREGON CITY URBAN  
RENEWAL AGENCY  
DEED DOC. NO. 2001-088835

TEMP. EASE FOR WORK AREA  
1,661 ft<sup>2</sup>±

30.00'

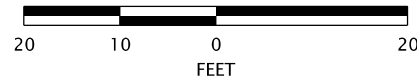
1+50.00



BLOCK 22

1+50.54 40.00'

1+56.69



1+62.89

64.43'

1+69.40

55.13'

PERM. EASE FOR  
SIDEWALK  
399 ft<sup>2</sup>±

LOT 1

1+90.00 67.64' 57.57'

FILE NO.: 10069-001  
PROJECT NO.: K23491  
DWG NO.: S\_K23491\_rw\_wrk\_01

PREPARED BY:  
PBS ENGINEERING AND  
ENVIRONMENTAL, LLC  
DRAWN BY: MLY  
CHECKED: TLG  
DATE: MAY 23, 2025

When improving highway facilities, ODOT has the task of acquiring right of way, and ODOT is committed to a right of way acquisition process that is fair and equitable.

ODOT is empowered to acquire private property for public use. With this power goes the obligation to protect the rights of the individual property owner. ODOT thus has a dual responsibility to recognize and protect the individuals who are affected by acquisition of land, as well as provide competent and efficient service to the public.

## **Public Hearings**

Public hearings, when required, are held during the location and design stages of a project. Such hearings provide opportunities for public participation to ensure that highway locations and designs are consistent with Federal, State and Local goals and objectives.

The corridor hearing is held after preliminary studies have been made on several possible routes. During this hearing, testimony is recorded for study by ODOT personnel and the Oregon Transportation Commission.

Upon selection of a corridor, a detailed survey within that corridor is made and a preliminary design plan developed for presentation at a “Design Hearing”.

The “Design Hearing” provides an opportunity to present testimony about the final highway design.

In an instance where a choice of corridors is not involved, such as the case of an improvement to an existing highway, a single “Combination Corridor-Design Hearing” may be held. After all data and testimony has been studied, a final design is adopted by the Oregon Transportation Commission and the acquisition of necessary rights of way is authorized.

## **Just Compensation**

Owners of property needed for a highway project will be offered Just Compensation for the required rights of way. Just Compensation includes the estimated value of all the land and improvements within the needed area. In addition, if only a part of a property is to be acquired, Just Compensation will also include any measurable loss in value to the remaining property due to the partial acquisition.

Just Compensation is based on ODOT’s valuation of the needed property and estimation of any damages to the remaining property. ODOT procedures, guided by Federal regulations, have been designed to protect both owners of properties needed for highway rights of way as well as other taxpayers. The valuation process will be conducted either by an experienced and qualified employee of ODOT or by an independent fee appraiser under a contract. The value will be established by comparison of similar properties in the market that have recently sold, by knowledge and consideration of costs and depreciation for any improvement(s) to be acquired, and when applicable, by the property’s income potential. The final value determination will be based on this type of information from the local real estate market.

The property to be acquired is inspected by the qualified employee or appraiser during the first part of the valuation process. With complex acquisitions involving large portions of the property, major buildings or improvements on the property, displacement of residents, and/or damages to the remaining part of the property not being acquired, property owners will be given 15 days to prepare the property and will be given the opportunity to accompany the qualified employee or appraiser during a detailed inspection of their property.

Any increase or decrease in the value of needed property brought about by public knowledge of the upcoming highway project is disregarded in the valuation process.

The final value estimate is reviewed for completeness and accuracy, and Just Compensation is established by ODOT's Review Appraiser. In addition to this estimate of Just Compensation, ODOT will make an offer to purchase any remaining property determined to have no remaining economic value to the owner.

## **Acquisition Procedure**

The Right of Way Agent who contacts you has studied ODOT's valuation of the needed property and can illustrate with maps and other data how the acquisition will affect your property. ODOT's offer will be confirmed in writing, together with an acquisition summary statement, and an appraisal, or evaluation sheet, which provides the basis for that amount. The Agent is authorized to obtain a deed from you to purchase your property, subject to the approval of the Oregon Transportation Commission. The Agent is unable, under ODOT procedures governing acquisitions, to engage in "horse trading"; rather the Agent is confined to those monetary values indicated by the appraisal process.

However, ODOT is ready and willing to reconsider its position considering any new evidence of value presented by you including a documented professional appraisal.

ODOT may not take any action which would coerce you into accepting its offer. Prohibited actions include advancing the time of condemnation, deferring negotiations or condemnation, or postponing the deposit of funds in court for your use.

You need not accept ODOT's offer or enter an agreement felt to be unfair. Owners have a minimum 40-day period to accept or reject the offer, unless an emergency has been declared. A refusal is simply a case of disagreement between the two parties on the value of the property.

In the event the parties are still unable to agree as to the compensation to be paid, or you cannot clear the title, mediation of differences between parties, conducted by an independent mediator, can be arranged by ODOT to reach settlement prior to filing any condemnation action.

In the event parties are still unable to agree as to compensation to be paid, or if title cannot be cleared, a condemnation action will be filed. Once condemnation is filed, a trial date will be determined.

Discussions and mediation can, of course, continue even after a condemnation action is filed in an effort to resolve differences. The filing allows ODOT to proceed with the construction project.

## **Improvements**

When ODOT acquires an interest in your land, it must acquire an equal interest in your house, or any other improvements located on the land acquired. If buildings are required to be removed, ODOT may allow the owner to retain the improvements. If you are interested, this can be discussed with the Right of Way Agent.

## **Payment**

If you sign a deed and any accompanying agreements, and the Oregon Transportation Commission approves it, then the transfer of title and payment may proceed. As in a private sale, you are responsible for clearing encumbrances to the title such as unpaid taxes, assessments, mortgages, outstanding leases and other liens against your property. The Right of Way Agent will assist you in clearing title. No payment can be made until a warranty deed conveying clear title to ODOT has been recorded in the appropriate county records.

At the time the deed is available for recording, authorization is given to prepare a check for payment to you. Normally, when no cloud obscures the title, you will receive payment for your property about three or four weeks after you give ODOT a deed to the property.

If the condemnation action has been filed, the amount established by ODOT as Just Compensation will be deposited with the court for distribution in accordance with the order of the court.

You are entitled to be reimbursed for fair and reasonable costs you incur for expenses incidental to conveying your property to ODOT. Such expenses could be, but are not necessarily limited to, penalty costs for prepayment of any pre-existing recorded mortgage encumbering your property, mortgage release fees, and ODOT's portion of real property taxes.

## Possession

You are not required to surrender possession of your property until you have been paid the agreed purchase price or an amount equal to ODOT's established estimate of just compensation has been deposited with the court for your benefit.

When negotiations begin, you, as well as any tenants occupying your property, will be notified in writing that it is ODOT's intent to acquire the property. You will not be required to move from your home, farm, or business location earlier than 90 days following that notice or within 30 days after payment, whichever is later. However, if the purchase does not require you to move, the agreement to purchase your property may require you to surrender possession of your property upon payment.

ODOT is aware of the need for a reasonable time for relocation. If your property is not needed for several months, your continued occupancy may be permitted on a short-term basis. The amount of rent ODOT may charge you, or another tenant, may not exceed the fair rental value of the property to a short-term occupant.

## Right of Way Offices

For your convenience, ODOT maintains Regional Right of Way Offices in the following locations:

### **Region 1**

123 N.W. Flanders St.  
Portland, OR 97209  
(503) 731-8200  
(888) 769-7341

### **Region 3**

3500 Stewart Pkwy., Ste. 164  
Roseburg, OR 97470  
(541) 957-3559  
(888) 769-7343

### **Region 5**

3012 Island Ave.  
La Grande, OR 97850  
(541) 963-7552

### **Region 2**

455 Airport Rd SE, Bldg. B  
Salem, OR 97301  
(503) 986-2601  
(888) 769-7342

### **Region 4**

63055 N. Hwy 97, Bldg. M  
Bend, OR 97703  
(541) 388-6196  
(888) 769-7344

These offices are staffed with experienced Right of Way Agents to assist property owners and tenants affected by rights of way acquisitions. Right of Way Agents are available during convenient hours, including evening hours when necessary. Right of Way Agents do not expect and will not accept any fee for any service rendered.

This material can be made available in an alternate format by calling 503-986-3600. For Americans with Disabilities Act (ADA) or Civil Rights Title VI accommodations, translation/interpretation services, or more information call 503-986-4350, Toll Free 855-540-6655, TTY Line 711, or Internet Relay <http://sprintip.com>. Scan QR code below for additional information:

