



CITY OF TROUTDALE

"Gateway to the Columbia River Gorge"

AGENDA

URBAN RENEWAL AGENCY OF THE CITY OF TROUTDALE – SPECIAL MEETING

Troutdale City Hall – Council Chambers
219 E. Historic Columbia River Hwy. (Lower Level, Rear Entrance)
Troutdale, Oregon 97060

Mayor

Doug Daoust

City Council

David Ripma
Corey Brooks
Larry Morgan
Glenn White
Rich Allen
John Wilson

City Manager

Craig Ward

Tuesday, June 28, 2016

Immediately following the City Council Regular Meeting which starts at 7:00pm

1. **Roll Call**
2. **Consent Agenda:**
 - 2.1 **Accept Minutes:** October 20, 2015 Special Meeting.
3. **Public Comment:** Please restrict comments to non-agenda items at this time.
4. **Public Hearing / Resolutions:** A public hearing on the following two resolutions:
 - 4.1 A resolution adopting the Urban Renewal Agency's Fiscal Year 2016-17 Annual Budget and making appropriations.
 - 4.2 A resolution imposing and the declaration of the Tax Increment for Fiscal Year 2016-17.

Erich Mueller, Finance Director
5. **Report:** A progress report on Urban Renewal Agency Development issues.

Craig Ward, City Manager
6. **Adjourn**



Doug Daoust, Chair

Date: 6/23/16

Further information and copies of agenda packets are available at: Troutdale City Hall, 219 E. Historic Columbia River Hwy., Monday through Friday, 8:00 a.m. - 5:00 p.m.; On our Web Page www.troutdaleoregon.gov or call Debbie Stickney, City Recorder at 503-674-7237.

The meeting location is wheelchair accessible. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to: Debbie Stickney, City Recorder 503-674-7237.

City Hall: 219 E. Hist. Columbia River Hwy., Troutdale, Oregon 97060-2078
(503) 665-5175 • Fax (503) 667-6403 • TTD/TEX Telephone Only (503) 666-7470

Visit us on the Web:
www.troutdaleoregon.gov

DRAFT

MINUTES
Urban Renewal Agency of the City of Troutdale
Regular Meeting
Troutdale City Hall – Council Chambers
219 E. Historic Columbia River Hwy.
Troutdale, OR 97060-2099

Tuesday, October 20, 2015

1. ROLL CALL

Chair Doug Daoust called the meeting to order at 7:39pm.

PRESENT: Chair Daoust, Director Ripma, Director Anderson, Director Morgan, Director White, Director Allen, and Director Wilson.

ABSENT: None.

STAFF: Craig Ward, City Manager; Ed Trompke, City Attorney (by phone); Sarah Skroch, Deputy City Recorder; and Erich Mueller, Finance Director.

GUESTS: See Attached List.

2. Consent Agenda:

2.1 Accept Minutes: June 16, 2015 Regular Meeting.

MOTION: Director Allen moved to accept the Consent Agenda. Seconded by Director Morgan. The motion passed unanimously.

3. Public Comment: Please restrict comments to non-agenda items at this time.

None.

4. Report: A progress report on Urban Renewal Agency development issues.

Craig Ward states I had a meeting this afternoon with the Regional Solutions team and Mr. Wand, representing Eastwinds Development. Its primary purpose was to finalize the schedule for removal of the sheep pit. The plan is to begin the removal by November 16th at the latest and it may occur before then. There was some discussion about public relations previously and is actually part of the entire permit process that the State has for removing the sheep pit. There is a public relations plan that needs to be implemented. There was a flyer created but those dates have shifted. The new flyer will be distributed a couple weeks before the date when the sheep pit removal will begin. There is a website that Eastwinds has created with a variety of components that fit into that. They're very serious about removing it and they had a discussion with DEQ today about the final permitting. The result of the sheep pit removal will be a no further action determination by the State. There are certain conditions such as we won't be able to use that site for residential purposes. Regarding the potential sale of the former

wastewater treatment plant property to Eastwinds and that has taken a side track. We did draft with a lot of effort from Ed Trompke and others a disposition of development agreement (DDA) that would deal with the sale of the property. It's a long document and it anticipates a variety of circumstances on the part of Eastwinds and the City. It's a complicated presentation that's made and it is in the early stages of being negotiated. Before we began negotiating that document Eastwinds conveyed to us that they want to go back to a condition that was in the term sheet previously which is a third appraisal. We thought that alternative had been disregarded and we were moving beyond that but in fact that's what they directed us to do, to prepare a third appraisal. We are proceeding with the understanding that Eastwinds and the City will select a mutually acceptable appraiser and give them directions that make it clear what the appraisal expectations are and conditions. Another component is the right of way through the Simon property, the primary access. Simon has been notified that we intend to proceed with that position of the property and we will conduct an appraisal. Our appraiser has contacted Simon and they are aware of our intention to conduct an appraisal. A minor component of that that was discussed today with the State was the requirement of curing the easement and encroachment. I expressed to the State that we will need some additional cooperation from ODOT regarding that agreement and the potential of modifying it. The proposal that the staff was working on was that we would issue a right of way use permit for the activities that currently encroach upon that. It would be local so it's not a permanent grant of the use of that property. It would allow them to use that property in its current configuration. It's a very small piece. Another item is that Eastwinds has informed us that they want to proceed with amending the zoning map. You'll note that the area is most of it is general commercial, that includes all of the outlet mall and the City's portion of the property, however the property that Eastwinds owns is zoned mixed office housing. That is not very well tailored to what their developing plans are for the site. They have not made an application to that effect yet. There is also the potential that I've discussed with Mr. Wand about amending the development standards that pertain to general commercial. They need to make sure that the zoning standards work for them. We'll have to have that conversation and bring it to the Planning Commission.

Director Ripma states the third appraisal, is that done under the term sheet?

Craig Ward responds yes. It was anticipated in the term sheet that if the 2 appraisals that each of us got were more than 10% apart that we would have a default approach of using a third appraiser.

Director Morgan states the prefacing and the justification for the third appraisal is also outside the term sheet. There has been some new developments that I think we further discuss in the future that have nothing to do about price and other aspects. I think that's important to explore.

Craig Ward states if I understand you correctly, thinking that the third appraisal had been a way of resolving the dispute over the appraised values we had considered alternative methods of pricing the property. I had hoped tonight that we might be able to go through the draft because that's where those additional terms are imbedded.

Director Morgan states just to clarify that, a lot of people assumed when they read it in the paper that one side wasn't happy with an assumed price or a lot of assumptions made. It's important that everything is uniform and reflected.

Chair Daoust asks Ed Trompke (by phone) the second letter that we sent to Simon saying that we're going to proceed with the road through the middle of the outlet stores, what is the next step with that? Is that going to involve a work session with the Council or just attorney to attorney?

Ed Trompke responds they say they never got the earlier letter and when the local people were given a copy of the most recent letter they were surprised by it. They are going to cooperate with the City's appraisers to look at the site and ask and answer questions. The local manager seems to be willing to participate. I haven't heard otherwise.

Craig Ward states in answer to Chair Daoust's question, we will bring back the appraisal and under a real estate conversation with the Council we will discuss what the appraisal findings are and the council will have to direct how they want us to proceed.

Director Allen states maybe I misunderstood but I think that what we're basically looking for here is that we end up with property that is cleaned up, has a useful purpose and a deal that is reasonable.

Director Ripma states the term sheet had a very specific way to pick the appraiser used by the parties for a third appraisal and I want to know, has that already happened?

Craig Ward responds no.

Director Ripma asks is the agency going to be informed? Could we be involved? Not weighing in. Just be informed.

Craig Ward states I would like to come back with a work session on the disposition of the development agreement as soon as we can. We will try to keep you informed.

Chair Daoust states we do have a negotiating team which would be involved with staff and agree on the appraiser.

Director Morgan asks have we decided to move forward on the third appraisal?

Ed Trompke responds I think we are not going to do that yet. I tried to express my questions about why we're doing that and about why it may not make sense to do it.

Director White states since we do have a negotiation team if we could hear any further update that wasn't discussed tonight from the team.

Director Anderson states I can tell you what I have been trying to do in my role. I have been trying to have the people that make decisions get in a room to make them. And on our side that's Craig and Ed and on their side it's Matt Wand and whomever else. We have DDAs coming up with this. I want something on paper that everybody can see as quickly as we can. That's what I'm working to make happen. It's a large document and there's a lot of stuff in there. It's 60 plus pages long. I'm working as hard as I can to get this out in the open as fast as I can

so everybody can take a look at what has happened. What is the DDA. What's it going to be. It's going well.

Director White states I have one question about the appraisal. Am I to understand that the third appraisal means that we will have 3 different agencies doing an appraisal?

Craig Ward responds yes. It will be a different agency. It will not be the same party.

Director White asks is it limited on the number of companies that are qualified to do an appraisal like that?

Craig Ward responds yes.

Director White states the problem I have with that is it's easy to finally get the company the number you want. It weakens the appraisal by having it done 3 different times.

Director Anderson states I did say to Ed to please convey that it would be a very strong show of good faith to do the environmental work aka the sheep pit sooner rather than later.

Director Morgan states I think there has been a lot of questioning. They don't have to clean up the sheep pit to develop what they want to develop. I think that should be a good indicator that they are leaning towards a DDA or purchase agreement. When I heard Ed say that doing a third appraisal actually might not be in their best interest if the sole goal is looking at it from a financial aspect, right?

Ed Trompke responds that's correct.

Director White states I was concerned when I heard the deal was on the rocks but we got it back on track. Was it just a matter of getting this third appraisal?

Ed Trompke states I think there were some misunderstandings between people and I think they got it smoothed out. People misunderstood each other.

Director Ripma states the cleaning up of the sheep pit is entirely Eastwinds' issue. It's on their property. When it was put in the term sheet that it as something they were doing for us I pointed that fact out at the time years ago. I'm glad they're cleaning it up. They promised to do it last year. Whether they clean it up or have to clean it up is entirely their decision. It doesn't involve the agency. It is their problem. I don't take a great deal of comfort. They own the property. They're going to have to do something with it. It isn't a demonstration of any kind of progress in itself.

Director Anderson states I think it's more along the lines of doing what you say you're going to do. I agree with you it's on their property and it's their issue and they're going to clean it up.

Director Allen states although the cleanup of the sheep pit is nice, it's entirely up to them whether they want to do it or not. However from an investment standpoint it makes the property more attractive.

Craig Ward states I think it's a substantial commitment on the part of Eastwinds. Had the State not offered a \$600,000 very low interest loan, Eastwinds would not be pursuing this action at this time. It is a substantial piece of property in our city that will be cleaner than it is now and that's good for all of the community.

5. Adjourn

MOTION: Director Wilson moved to adjourn. Seconded by Director Morgan. Motion passed unanimously.

Meeting adjourned at 8:11pm.

DRAFT

Doug Daoust, Chair

Dated: _____

ATTEST:

Kenda Schlaht, Deputy City Recorder



URBAN RENEWAL AGENCY CITY OF TROUTDALE



STAFF REPORT

SUBJECT / ISSUE: A Public Hearing and Resolution Providing for the Urban Renewal Agency Budget For Fiscal Year 2016-2017, And Making Appropriations.

MEETING TYPE:
Urban Renewal Agency Regular Mtg.

MEETING DATE: June 28, 2016

STAFF MEMBER: Erich Mueller
DEPARTMENT: Finance

ACTION REQUIRED
Resolution

ADVISORY BOARD/COMMISSION RECOMMENDATION:

PUBLIC HEARING
Yes

Approval
per the Budget Committee.

STAFF RECOMMENDATION: Adopt the proposed URA Budget Resolution.

EXHIBITS: None

Subject / Issue Relates To:

Council Goals Legislative Other (describe)
 Conform to the Local Budget Law

Issue / Council Decision & Discussion Points:

- ◆ Prior to adoption, Local Budget Law ORS 294, requires a public hearing on the proposed budget as approved by the Budget Committee
- ◆ The proposed resolution adopts the budget, and makes necessary appropriations for the coming fiscal year.

Reviewed and Approved by City Manager:

BACKGROUND:

PUBLIC HEARING ON FY 2016-2017 BUDGET AND
RESOLUTION MAKING APPROPRIATIONS

The budget for fiscal year 2016-2017 was approved by the Budget Committee at the April 26, 2016 committee meeting.

The Budget Committee Approved Budget has been published on the required Local Budget Law, Urban Renewal Form, in compliance with ORS 294.

The proposed resolution outlines the appropriation at the category level for the single service type funds.

PROS & CONS:

- A. Approving the Budget resolution for FY 2016-2017 as drafted by staff will achieve compliance with ORS 294, the Local Budget Law.
- B. Not approving the proposed budget resolution would make the Urban Renewal Agency out of compliance with ORS 294 Local Budget Law, and prohibit URA expenditures after June 30, 2016 unless revised in a form satisfying specific ORS 294 Local Budget Law requirements.

Current Year Budget Impacts Yes

Authorizes budget of total requirement for FY 2016-2017 totaling \$4,209,250 for all funds.

Future Fiscal Impacts: Yes (*describe*) N/A

City Attorney Approved: Yes (*describe*) N/A

Community Involvement Process: Yes: Adopts the budget approved by the URA Budget Committee.

RESOLUTION NO.

A RESOLUTION ADOPTING THE URBAN RENEWAL AGENCY OF THE CITY OF TROUTDALE'S ANNUAL BUDGET, AND MAKING APPROPRIATIONS FOR FISCAL YEAR 2016-2017.

THE URBAN RENEWAL AGENCY OF THE CITY OF TROUTDALE FINDS AS FOLLOWS:

1. The recommended budget for FY 2016-2017 was approved by the Budget Committee on April 26, 2016 and is on file for public inspection.
2. The budget has been published in the required format and timeframe pursuant to ORS 294.438.

NOW, THEREFORE, BE IT RESOLVED BY THE URBAN RENEWAL AGENCY OF THE CITY OF TROUTDALE:

Section 1. The budget for FY 2016-2017 with total requirements of \$4,209,250 on file at Troutdale City Hall, 219 E. Historic Columbia River Hwy, Troutdale, Oregon, is now hereby adopted.

Section 2. The amounts listed below are hereby appropriated for the fiscal year beginning July 1, 2016 for the purposes stated.

RIVERFRONT DEVELOPMENT FUND (33)

Materials and Services	700,000
Capital Outlay	1,550,000
Contingency	1,781,188
Total Fund Appropriation:	<hr/> 4,031,188
Unappropriated Fund Balance:	<hr/> 0
Total Fund Requirements:	<hr/> <hr/> 4,031,188

DEBT SERVICE FUND (32)

Debt Service	151,300
Total Fund Appropriation:	<u>151,300</u>
Unappropriated Fund Balance:	<u>26,762</u>
Total Fund Requirements:	<u><u>178,062</u></u>

TOTAL APPROPRIATION - ALL FUNDS	4,182,488
TOTAL UNAPPROPRIATED FUND BALANCES	26,762
TOTAL REQUIREMENTS - ALL FUNDS	<u>4,209,250</u>

Section 3. This Resolution shall take effect upon adoption.

YEAS:
NAYS:
ABSTAINED:

Doug Daoust, Chair

Date

Sarah Skroch, City Recorder
Adopted:



URBAN RENEWAL AGENCY CITY OF TROUTDALE



STAFF REPORT

SUBJECT / ISSUE: A Resolution Imposing, and The Declaration of, the Tax Increment For Fiscal Year 2016-2017.

MEETING TYPE:
Urban Renewal Agency Regular Mtg.

MEETING DATE: June 28, 2016

STAFF MEMBER: Erich Mueller
DEPARTMENT: Finance

ACTION REQUIRED
Resolution

ADVISORY BOARD/COMMISSION RECOMMENDATION:

PUBLIC HEARING
No

Approval
per the Budget Committee.

STAFF RECOMMENDATION: Adopt the proposed Tax Increment Resolution.

Subject / Issue Relates To:

- Council Goals Legislative Other (describe)
Conform to the Local Budget Law.

Issue / Council Decision & Discussion Points:

- ◆ The proposed resolution declares and imposes the tax increment for the coming fiscal year.

BACKGROUND:

When a district is first created, the assessed value within the district boundary is established as the "frozen base". If urban renewal efforts are successful and development occurs, the value of the district will grow above the base. That increase is called the "incremental value". The three types of property tax rates (schools, general government and general obligation bonds outstanding at the time the district is created) are applied to the combination of these two values (frozen base and incremental value). The resulting taxes are then divided between the taxing entities and the urban renewal entity.

Reviewed and Approved by City Manager:

TAX INCREMENT SUMMARY

	(BASE YEAR) ACTUAL 2005-06	ACTUAL 2015-2016	PROPOSED BUDGET 2016-2017
Assessed Valuation in District	\$ 19,177,950	\$ 27,486,190	\$ 27,939,712
Frozen Tax Base	(19,177,950)	(19,177,950)	(19,177,950)
Incremental Value	-	8,308,240	8,761,762
Consolidated Permanent Rate			13.7872
Consolidated 2014/15 Bond Debt Rates			2.8806
Gross Tax Increment Revenues	-	-	146,039
Uncollectible Amounts & Discounts	-	-	(8,762)
Net Tax Increment Revenues	\$ -	\$ -	\$ 137,277

Taxing entities receive taxes on the frozen base while all taxes associated with the incremental value go to the Agency. The Agency will receive property tax dollars based on the growth in assessed value in the plan area above the "frozen base" (the assessed value from the 2005-06 assessment roll). The Agency is required to dedicate these tax revenues to repay the debt issued to finance projects in the plan area.

The incremental assessed value for FY 2016-17 is projected at \$8,761,762. The estimated anticipated tax rate is \$16.6678 per \$1,000 of taxable value. The tax rate is the estimated total of all the property tax rates within the district (City of Troutdale, Multnomah County, Metro, school districts, etc.). The resulting tax increment revenue of \$146,039 is reduced by 6 percent, which is the amount that is not expected to be received due to adjustments, discounts for early payments and tax payments that are delinquent.

The attached resolution authorizes the Agency to levy the maximum amount of revenue that may be raised by dividing the taxes under Section 1c, Article IX, of the Oregon Constitution and ORS Chapter 457.

PROS & CONS:

- A. Approving the Budget resolution for FY 2016-2017 as drafted by staff will achieve compliance with ORS 294, the Local Budget Law.
- B. Not approving the proposed budget resolution would make the URA out of compliance with ORS 294 Local Budget Law, and prohibiting URA expenditures after June 30, 2016 unless revised in a form satisfying specific ORS 294 Local Budget Law requirements.

Current Year Budget Impacts Yes

Authorizes the Agency to levy the maximum amount of revenue that may be raised by dividing the taxes under Section 1c, Article IX, of the Oregon Constitution and ORS Chapter 457 with estimated proceeds of \$146,039 (net proceeds of \$137,277).

Future Fiscal Impacts: Yes (*describe*) N/A

City Attorney Approved: Yes (*describe*) N/A

Community Involvement Process: Yes: Adopts the budget approved by the Budget Committee.

RESOLUTION NO.

A RESOLUTION IMPOSING AND THE DECLARATION OF THE TAX INCREMENT FOR FISCAL YEAR 2016-2017.

THE URBAN RENEWAL AGENCY OF THE CITY OF TROUTDALE FINDS AS FOLLOWS:

1. The budget for FY 2016-2017 was adopted by the Board of Directors on June 28, 2016.
2. A portion of the budgeted resources is to be provided by the collection of tax increment.

NOW, THEREFORE, BE IT RESOLVED BY THE URBAN RENEWAL AGENCY OF THE CITY OF TROUTDALE:

Section 1. The Urban Renewal Agency of the City of Troutdale hereby resolves to certify to the county assessor a request for the Troutdale Riverfront Renewal Plan Area for the maximum amount of revenue that may be raised by dividing the taxes under Section 1c, Article IX, of the Oregon Constitution and ORS Chapter 457.

Section 2. This Resolution shall take effect upon adoption.

YEAS:
NAYS:
ABSTAINED:

Doug Daoust, Chair

Date

Sarah Skroch, City Recorder
Adopted: