

Dundee Urban Renewal Agency
Board Meeting Agenda
June 19, 2018



6:30 pm **Fire Station Community Meeting Room**
801 N. Highway 99W

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- 1. Call to Order**
 - 2. Public Comment:** Speakers will be allowed up to 5 minutes to speak after being recognized by the Chair.
 - 3. Approval of Minutes:**
 - 3.1 DURA Meeting November 21, 2017**
 - 3.2 DURA Meeting February 20, 2018**
 - 4. FY 2018-19 Budget Hearing**
 - 5. Resolution No. 2018-03, Adopt FY 2018-19 Budget**
 - 6. Ninth Street Project**
 - 7. Agency Member Concerns**
 - 8. Adjourn**

The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired, or for other accommodations for persons with disabilities, should be made at least 48 hours in advance of the meeting to Rob Daykin, Executive Director at 503-538-3922.

**Dundee Urban Renewal Agency
Board Meeting Minutes
Tuesday, November 21, 2017**

Call to Order

Chair Russ called the meeting to order at 8:41 PM.

Board and Staff Attendance

Present: Chair David Russ, Ted Crawford, Tim Weaver, Jeannette Adlong, and Doug Pugsley. Absent: Kristen Svicarovich and Storr Nelson. Staff: Rob Daykin, Executive Director; Peter Watts, Legal Counsel; Greg Reid, City Engineer; and Melissa Lemen, Administrative Assistant.

Public Attendance

Doug Rux, Newberg Community Development Director and Saj Jivanjee, 32230 Old Parrett Mountain Road, Newberg.

Amendments to the Agenda

None.

Public Comment

Saj Jivanjee, 32230 Old Parrett Mountain Road, Newberg, indicated that he is the owner of the property on Ninth Street (the former Bag It factory property). He informed that he spoke with a couple of the nearby property owners who expressed concern that they have not received notices with regard to the urban renewal process. Jivanjee inquired as to what the urban renewal process is with regard to public notice as he feels it is important that property owners are informed. He indicated that he is trying to develop the Dundee light industrial park area, and is striving to comply with all of the planning requirements as much as possible. In addition, Jivanjee indicated that clarification is needed with regard to the priorities that are established in Urban Renewal Plan, in terms of resource allocation and the notion of priorities in terms of using those public resources. Detailed discussion ensued with regard to his concerns.

Chair Russ explained that determining priorities for Urban Renewal is a task that the Agency will be discussing at the meeting tonight. He discussed that the priorities should align with what is best for the City of Dundee, and will better be able to be determined as all of the necessary information is available. C. Russ also reviewed that it is his belief that all noticing requirements have been followed by State law, and pointed out that there are different noticing requirements depending on the action taken. Jivanjee expressed an interest in understanding what the goals and objectives of the Urban Renewal Agency are. He also inquired about the process of providing information to the Agency to aid them in making informed decisions. C. Russ reiterated that conversation regarding priorities will begin tonight and noted that this is a public process in which public comment is allowed. Legal Counsel Watts explained that written testimony can be submitted at any point regardless of whether it's on an upcoming agenda or whether it's a matter of general interest to Mr. Jivanjee related to the Urban Renewal Agency. Additionally, he explained that as long as it is specified that the information is to go in front of the Urban Renewal Advisory Committee, it will be provided to the members several days prior to their next meeting and they will then have time to consider it. Watts discussed that if the City Council is meeting as the Urban Renewal Agency then the public is invited to provide oral testimony during the course of the meeting, otherwise written testimony would be in front of them at the next meeting. Doug Pugsley

expressed his appreciation for Jivanjee's interest and input with regard to some of the items they will be discussing. Daykin pointed out that the Urban Renewal Agency and Advisory Committee meeting calendars and meeting agendas are posted on the City website.

Ted Crawford pointed out that Jivanjee is presenting his thoughts at a good time given that Ninth Street will likely be one of the largest developments in the City moving forward. He discussed that one downside is that there hasn't been a lot of revenue generated yet to help propel things forward due to the recent formation of the Urban Renewal Agency. Jivanjee offered to provide assistance given his experience and knowledge with regard to similar types of projects.

Approval of Minutes

The motion was made and seconded approving the September 19, 2017 Dundee Urban Renewal Agency Board Meeting Minutes. **The motion** passed unanimously.

Urban Renewal Plan Project Priorities

Doug Rux, Newberg Community Development Director, indicated that he is present tonight to further discuss implementation of Urban Renewal and discuss priorities. He referenced the Powerpoint presentation included within the agenda packet provided for tonight's meeting. Rux reviewed the maximum indebtedness amount of \$11,337,831; the project breakdown was reviewed. He pointed out the \$8,804,552 gap and noted that the gap expands every year as inflation project costs continue to increase. He reviewed that the Plan also identifies that the City is looking for opportunities for partnerships and grants, etc., as a way to fill that gap over time. Rux pointed out that within the Urban Renewal District boundary overall there are some properties that are already developed. He pointed out that there will be situations (when looking at capital projects over the life of the Plan) where the City may not be getting a contribution from a property owner and Urban Renewal funds will solely be used. Rux explained that there may be a vacant property (or vacant properties) where there may be opportunity for partnership and leveraging to some percentage and degree which will need to be decided upon in the future.

Rux reviewed the Committed Expenditures as outlined on page 4 of the presentation. Detailed discussion ensued. Rux pointed out that the Agency has pledged the first five years of revenue towards paying the City for the proportional share as noted. The projected growth rates were reviewed and Rux explained that each one generates a different amount of revenue on the levy on an annual basis. He reviewed that revenue will begin to come in November of 2018, though much of that revenue will be put towards paying off debt service. Rux explained that this doesn't mean that the Agency couldn't renegotiate between the City and the Agency and change the terms.

The Possible Project Priority Areas were discussed as pictured on page 12 of the presentation. Rux explained that he along with Executive Director Daykin and City Engineer Reid have discussed the projects. He discussed the importance of identifying what areas should potentially be focused on first, and then prioritizing the projects which fit into those spatial geography areas. Rux pointed out that the project numbering on page 12 was used only to identify the specific areas and is not indicative of the area priority.

Area 1 was reviewed on the map and the keynote points listed on page 13 were discussed. Rux explained that included in their Report is also the undergrounding of overhead utility lines. He stressed the importance of defining and prioritizing the process by which the undergrounding would be completed for a given area; all at once or potentially a section at a time. Many different potential options and scenarios were discussed. Rux reviewed that Jivanjee has property in Area 1 at Alder and Ninth Street and is looking for development opportunities in that area. Mr. Rux reviewed Area 2 and discussed in detail the items listed on page 14. Area 3 was noted to be part of the discussion that City Council was having with

regard to Eleventh Street and the issue of the swale. Rux discussed Area 3 in detail and reviewed that Urban Renewal funds could be used to complete a refinement study which could lead to a capital project sometime in the future for this area. Additional discussion ensued with regard Area 3. Rux reviewed that Area 4 includes the Thirteenth Street design on the west side of Highway 99W. Detailed discussion ensued regarding potential priority considerations for this area; refinement studies for this area could also be beneficial. Area 5 was noted to encompass the undergrounding of utilities along Highway 99W. Though sidewalks and conduit are being installed, Rux pointed out that there are additional costs associated with the installation of the utilities to complete the project.

Rux discussed Private Development Interests as listed on page 18. He informed that the Urban Renewal Agency is being contacted about potential partnership opportunities, which will continue, and he explained is why establishing priorities and guidelines is important. Discussion ensued regarding the benefits of having established guidelines in place when reviewing and considering projects. Rux discussed that structuring the guidelines so that they are flexible and can be modified is helpful; adopting the guidelines by resolution allows them to be modified when the Agency desires. Additional detailed discussion ensued.

Rux discussed Development Agreements and noted that they would also be reviewed by legal counsel. He discussed the importance of these Agreements as well as the benefits.

Executive Director Daykin discussed some of the complexities of the potential projects and pointed out that it would be beneficial to have some of the initial funding provided for exploring options with a transportation consultant. Additional detailed discussion ensued. Daykin referenced the Maximum Indebtedness schedule as presented on page 3. He pointed out that many of the project estimates are based on current values though the Plan extends out for twenty five years. Further, he explained that though the maximum indebtedness amount does not change, the costs for ultimately completing the projects will depending upon when they are completed, and thus the gap will actually be much larger. In addition, Daykin pointed out that many of the projects outlined will be solely dependent on Urban Renewal and will not include participation from other developers, especially with regard to community based improvements. Examples and additional detailed discussion ensued. Daykin discussed that having some guidelines established will also be beneficial for budgeting purposes as requests are being received by the Agency.

Adlong voiced support of Staff evaluating and offering their recommendation with regard to establishing some guidelines. Russ voiced concerns about establishing guidelines which are too specific that could potentially close doors on conversations not yet explored and limit negotiation options. Conversation ensued. Pugsley pointed out that given the Committee approach to Urban Renewal, it is important to equip Staff with at least some guidelines as they are receiving frequent requests. Additional discussion continued and Pugsley pointed out that having guidelines in place would still allow for negotiation and even guide negotiation.

Saj Jivangee approached the Agency and offered additional detailed discussion. Based on his personal experience, he suggested that the Dundee Urban Renewal Agency create metrics which reflect the City's goals and objectives. He explained this process and discussed examples. Benefits of this type of approach were discussed, as well as potential complexities. Russ supported the idea of setting up metrics for City participation rather than specific project participation. Discussion ensued and the importance of doing cross benefit analysis was discussed in detail. Pugsley voiced support of providing funding for an Engineer to assist in determining potential options. Daykin recommended that conferring with all property owners to come up with the best solution to serve all properties (which would include the engineer meeting with property owners as well) would be a good choice. Jivangee offered additional detailed discussion.

Russ supported establishing a framework as long as it's not too confining and allows creativity to be generated on both sides. Pugsley pointed out that a guideline is not a contract and can aid in negotiations. Jivangee discussed that there are risks on both sides, and that having common knowledge can provide for better negotiation.

Doug Rux reviewed that he has completed previous projects with Jivangee, and discussed that he has been talking with him and Daykin about his particular project for months. Rux pointed out that with regard to Urban Renewal, no two plans or dynamics are the same. He discussed specific examples based on his previous experiences, and offered additional insight. Mr. Rux reviewed some of the different financing strategies and options which might be available, and pointed out that there are many financing mechanisms and tools available on the public sector side that can be used to partner with the private sector side. Rux again reiterated the importance of establishing some guidelines and discussed the benefits of doing so. Jivangee discussed his opinion that there are advantages to both sides, and conversation ensued.

Legal Counsel Watts pointed out that in his observance of other jurisdictions, the metric is constantly changing. He discussed some examples of how the metric can shift that he has noted within other cities. Watts noted that the amount of public participation that is necessary can vary widely project to project and can shift. Additional discussion ensued. Watts pointed out that one of the issues with Urban Renewal, in his opinion, is that it's not apples to apples comparison; he discussed that in some respects it's a moment of time comparison. Additional detailed discussion ensued. Watts pointed out that the amount that a developer pays doesn't go into the general coffers to pay for City services; the entire increment goes back into the Urban Renewal fund which he indicated should be a consideration as well. Additionally, he pointed out that the property tax increment increase won't be seen as a benefit to the City until the Urban Renewal area has folded; until that time the property owners are losing their increment from their development as well as the 3% they would get each year. Rux discussed in detail the addition of a provisional law that was added in 2009 with regard to revenue sharing.

Jivangee offered additional discussion. He discussed his belief that the metrics allow the developer to mitigate a percentage of the risk that will be taken and also provide a roadmap which allows variables to be changed as needed. Russ discussed factors which he believes are important including establishing what the Agency expects is a fair return in increment dollars. Additional detailed discussion ensued. Jivangee discussed residual land value and pointed out that the market determines the viability of the project.

Crawford explained that there were two goals he noted when he offered his support of Urban Renewal eight years ago: 1. To bring down the cost of development to develop the empty lots in Dundee, and 2. To develop a sustainable public infrastructure to span the next fifty years. Crawford pointed out that in particularly along Highway 99W there are small lots requiring infrastructure being built; the costs in doing so cannot be justified. Additional discussion ensued.

Daykin inquired as to whether or not Council would view industrial properties differently from commercial properties in terms of the metrics. Lengthy detailed discussion ensued. Crawford suggested that the City needs to determine how much to cover to incentivize a Developer to complete a project; calculating the cost of a project and how much the Urban Renewal District would need to contribute in order to ensure that a development occurs. Additional discussion ensued. Crawford also suggested that knowing the return on investment (ROI) is an important component as well. Jivangee supported that the market forces determine the revenue generation. Additionally, he pointed out that there is public benefit outside of the project; a dollar is not leveraged solely for the rate of return, but overall public benefit to the City in general because there will be a ripple effect in terms of economic development.

Pugsley inquired as to whether or not Executive Director Daykin has specific ideas pertaining to guidelines. Daykin discussed Ninth Street and inquired as to whether the Agency desires anything special in that area or if the Development Code should be applied. Detailed discussion ensued regarding thoughts and ideas for this area. Daykin inquired as to whether it would be the desire of the Agency that this area develop property by property as Developers move forward, or whether there is interest in a local improvement district (LID) which would allow the area to be completed as one project. The importance of knowing this information moving forward was discussed in detail. Jivangee discussed in detail his thoughts and ideas pertaining to the Ninth Street area as well.

The Agency reviewed the four DURP Goals briefly and discussed that guidelines would address questions surrounding design standards and timelines. Jivangee offered additional detailed discussion and shared his opinion that one good guideline is that public dollars do not support more than ten percent of the total development cost; between 5-10% maximum public dollar participation was noted to be ideal. Additionally, he pointed out that bank funding now is very restrictive and with loans typically provided at 70% funding; the other 20% is private equity with the remaining 10% ideally supported by Urban Renewal. Jivangee indicated that he could carry the contract and the Agency then would reimburse the Developer. Detailed discussion ensued and Jivangee briefly described his desired project and some of the potential financial complexities. Rux discussed the benefits of working with a financing institution who understands Urban Renewal to some degree; in this model the lender would have the understanding that they are loaning money for a project where there is already an agreement in place between the Agency and the Developer for repayment. Discussion ensued regarding additional potential financing options.

Rux informed that given the preliminary framework information discussion at tonight's meeting, he will now be able to work with the City Administrator and City Engineer and bring back to the Agency what they heard. He informed that the goal would be to provide the Agency with something they could give feedback on. Pugsley suggested that being provided with the property value change as well as jobs produced would be helpful information. Jivangee offered that he is willing to bring his case example (for the Ninth Street project) as a test piece for the next Council meeting; he has all of the numbers and agreements. He indicated that he will provide them with documentation in a generic form for their review.

Agency Member Concerns

Adlong voiced her support of the Agency establishing some guidelines and priorities for the four identified areas, and specifically with regard to the Ninth Street gateway area. Additional conversation ensued. Russ reviewed that decisions made about the ultimate appearance of Ninth Street should likely be made by the City Council, whereas funding decisions with regard to those improvements would be decisions made by the Urban Renewal Agency. Additional discussion ensued.

The Dundee Urban Renewal Agency meeting was adjourned at 10:16 PM.

David Russ, Chair

Rob Daykin, Executive Director

Dundee Urban Renewal Agency Board Meeting Minutes

February 20, 2018

Call to Order

Chair Russ called the meeting to order at 6:50 pm. Present: David Russ, Doug Pugsley, Ted Crawford, Storr Nelson, and Kristen Svicarovich. Absent: Jeannette Adlong and Tim Weaver. Staff members: Rob Daykin, Executive Director.

Public Comment

None.

Action Items

Sewer Main Extension Agreement

David Russ summarized the proposed Agreement. Executive Director Daykin confirmed that the Eleventh Street sewer main extension has been completed, and reviewed that this Agreement pertains to constructing sewer mains at Fourth Street and Ninth Street. Ted Crawford pointed out that the cost for the work is a good value. A **motion** was made and seconded to authorize the Chair of the Urban Renewal Agency to sign the proposed Agreement. Storr Nelson expressed his opinion that this is a good use of Urban Renewal dollars; it is a relatively small investment now that would cost significantly more to complete at a later date. Crawford inquired as to whether the absence of sewer main extensions at the proposed locations has been a barrier for development due to costs. Daykin discussed in detail the many potential challenges a new developer could incur if the sewer extensions were not in place. Kristen Svicarovich inquired as to how many properties would be able to connect to the sewer main extensions. Daykin reviewed that primarily the undeveloped properties between Highway 99W and the railroad would be utilizing the sewer extensions in these two locations. Additional discussion ensued. Svicarovich pointed out that this improvement could be a potential negotiating tool with future developers as this was done on their behalf. **The motion** passed unanimously.

Agency Member Concerns

Svicarovich suggested that with regard to decisions of this nature that it would be beneficial to review the indebtedness for the Agency to have a better understanding of how much money has been spent. Russ and Daykin supported the value of this suggestion as well.

The Dundee Urban Renewal Agency meeting was adjourned at 6:55pm.

David Russ, Chair

Rob Daykin, Executive Director

FORM UR-1

NOTICE OF BUDGET HEARING

A public meeting of the Dundee Urban Renewal Agency will be held on June 19, 2018 at 6:30 p.m. at the Dundee Fire Station Community Meeting Room, 801 N. Highway 99W, Dundee, Oregon. The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2018 as approved by the Dundee Urban Renewal Agency Budget Committee. A summary of the budget is presented below. A copy of the budget may be inspected or obtained at Dundee City Hall, 620 SW 5th Street, between the hours of 8:30 a.m. and 5:00 p.m. or online at www.DundeeCity.org. This budget is for an annual budget period and represents the first annual budget for the Dundee Urban Renewal Agency.

Contact: Rob Daykin, Executive Director

Telephone: (503) 538-3922

Email: rob.daykin@dundeecity.org

FINANCIAL SUMMARY - RESOURCES

| TOTAL OF ALL FUNDS | Actual Amount | Adopted Budget | Approved Budget |
|---|---------------|----------------|---------------------|
| | 20 - | This Year 20 - | Next Year 2018-2019 |
| Beginning Fund Balance/Net Working Capital | | | 0 |
| Federal, State and All Other Grants | | | 0 |
| Revenue from Bonds and Other Debt | | | 0 |
| Interfund Transfers | | | 0 |
| All Other Resources Except Division of Tax & Special Levy | | | 400 |
| Revenue from Division of Tax | | | 38,000 |
| Revenue from Special Levy | | | 0 |
| Total Resources | 0 | 0 | 38,400 |

FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION

| | | | |
|---|----------|----------|---------------|
| Personnel Services | | | 0 |
| Materials and Services | | | 13,400 |
| Capital Outlay | | | 0 |
| Debt Service | | | 25,000 |
| Interfund Transfers | | | 0 |
| Contingencies | | | 0 |
| All Other Expenditures and Requirements | | | 0 |
| Unappropriated Ending Fund Balance | | | 0 |
| Total Requirements | 0 | 0 | 38,400 |

FINANCIAL SUMMARY-REQUIREMENTS AND FULL-TIME EQUIVALENT EMPLOYEES (FTE) BY ORGANIZATIONAL UNIT OR PROGRAM *

| Name of Organizational Unit or Program | FTE for that unit or program | | |
|--|------------------------------|----------|---------------|
| Urban Renewal Fund | | | 38,400 |
| FTE | | | 0 |
| Non-Departmental / Non-Program | | | |
| FTE | | | |
| Total Requirements | 0 | 0 | 38,400 |
| Total FTE | 0 | 0 | 0 |

STATEMENT OF CHANGES IN ACTIVITIES and SOURCES OF FINANCING *

The Dundee Urban Renewal Plan was adopted in April 2017 and FY 2018-2019 represents the first budget for the Plan. Outstanding debt represents two loans from the City of Dundee to the Dundee Urban Renewal Agency: 1) \$350,000 for the installation of conduit and vaults to accommodate future undergrounding of overhead utilities, and 2) \$10,000 for sewer main extensions to undeveloped commercial properties.

STATEMENT OF INDEBTEDNESS

| LONG TERM DEBT | Estimated Debt Outstanding July 1 | Estimated Debt Authorized, But Not Incurred on July 1 |
|--------------------------|--------------------------------------|--|
| General Obligation Bonds | \$0 | |
| Other Bonds | \$0 | |
| Other Borrowings | \$325,000 | \$35,000 |
| Total | \$325,000 | \$35,000 |

URA RESOLUTION NO. 2018-03

**A RESOLUTION OF THE DUNDEE URBAN RENEWAL AGENCY ADOPTING
THE BUDGET FOR FY 2018-2019.**

THE DUNDEE URBAN RENEWAL AGENCY RESOLVES AS FOLLOWS:

Section 1. Be it resolved that the Board of Directors of the Dundee Urban Renewal Agency hereby adopts the budget for fiscal year 2018-2019 in the total amount of \$38,400 now on file at the Agency office, 620 SW 5th Street, Dundee, Oregon.

Section 2. Be it resolved that the amounts for the fiscal year beginning July 1, 2018 and for the purposes shown below are hereby appropriated:

URBAN RENEWAL FUND

| | |
|-----------------------|---------------|
| Professional Services | \$13,400 |
| Debt Service | <u>25,000</u> |
| Total | \$38,400 |

Section 3. Be it resolved that the Board of Directors of the Dundee Urban Renewal Agency hereby resolves to certify to the county assessor a request for the Dundee Urban 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.

PASSED this _____ day of _____ 2018.

Approved:

Dave Russ, Chair

Attest:

Rob Daykin, Executive Director

DURA AGENDA R E P O R T

To: Chair Russ and Board of Directors
Urban Renewal Advisory Committee

From: Rob Daykin, Executive Director

Date: June 14, 2018

Re: Ninth Street Project

The attached map shows the various types of properties along Ninth Street between Highway 99W and Alder Street that may develop in the near future or have already received construction deferrals for street/sidewalk improvements as part of a prior partition. I propose the City Engineer prepares a concept plan and construction estimate for full street improvements for this part of Ninth Street. The concept plan will assist the Agency in considering its options in using urban renewal funds to leverage private development for improvements to Ninth Street. Assuming the Agency is interested in something more than the standard Transportation System Plan bare bones collector street; development of the concept plan will help identify specific details such as the type of street lighting, planter areas, and other aesthetic treatments. This will allow the City to be in a better position to work with future developers in achieving that vision. Also, once the concept plan and construction budget is prepared, I recommend using that information for a new Oregon Transportation Infrastructure Bank loan application for financing the improvements. Available loans are very limited and having our project in the cue will expedite a future loan agreement. The OTIB loan program is the ideal debt program for repayment from any combination of Local Improvement District, Private Developer Agreements, and Urban Renewal funding.

