



City of Molalla

Molalla Urban Renewal Agency

Meeting Agenda

May 22, 2013

Meeting Location: Molalla Adult Center, 315 Kennel Ave, Molalla, OR 97038 **Time:** 7pm
Last MURA Meeting: April 24, 2013

This meeting will be televised. The regularly scheduled meeting of the Molalla City Council will convene following adjournment of this meeting of the Molalla Urban Renewal Agency.

Public Comments: Those wishing to address the Urban Renewal Agency on any agenda item are asked to fill out and submit comment cards to the City Recorder prior to the start of the meeting.

1. CALL TO ORDER

- A. Flag Salute
- B. Roll Call

2. COMMUNICATIONS

- A. Minutes: April 24, 2013

3. NEW BUSINESS

- A. Council work session regarding URA – Discussion

4. CONTINUED

- A. Update by Interim City Manager: Minor Amendment to the Molalla Urban Renewal Agency Plan: Molalla Fire Dist. 73
- B. Feasibility Study Information as Requested by the Agency on 4/24/13

5. ORDINANCE

6. ADJOURN

City of Molalla
Molalla Urban Renewal Agency
Molalla Adult Center
315 Kennel Ave., Molalla, OR 97038

April 24, 2013

CALL TO ORDER

Flag Salute & Roll Call: **ATTENDANCE** Member Debbie Rogge, Present; Member George Pottle, Present; Member Stephen Clark, Present; Member Dennis Wise, Present; Member Jason Griswold, Present; Member Jimmy Thompson, Absent; Member Dennis Wolfe, Absent.

STAFF IN ATTENDANCE: Interim Urban Renewal Manager, Mark Gervasi; City Recorder, Sadie Cramer.

COMMUNICATIONS

Urban Renewal Presentation by Greg Ellis, City Manager for Canby, Oregon

Mr. Ellis presented handouts to the Molalla Urban Renewal Agency which he used in describing Canby's work with Urban Renewal. Canby Urban Renewal District started in 1999 with 573 acres. The objectives of the URD were to diversify the economy and provide family wage jobs within the district. In 1999 the frozen base was \$65 million. The frozen base still goes to the taxing entities. The increased value goes back to the entities at the end of the period. The Canby URD has been in effect for 13 years and has spent or bonded for \$34 million. Funds for projects come from the sale of bonds. One road was a Local Improvement District so property owners paid for the whole thing. The first investment was in Pioneer Industrial Park because job creation was the first goal of the Urban Renewal District. Street redevelopment and public buildings followed. Property owners in Pioneer Industrial Park dedicated land for roads and the city built infrastructure to the property. All buildings are privately funded, but URD has repaired roads in areas outside the industrial part. They are bringing about \$2.5 million to repay bonds that were sold. There are a lot of project left to be done, with about \$10 to \$15 million that can be bonded for. By following industrial park development with community projects, he feels it is giving back to the citizens who are paying into the district without their feeling the taxes are all going to the industrial park.

Canby's Urban Renewal District is for a 20-year period that ends in 2019, or earlier. One of the main criticisms of Urban Renewal Districts is they go on for too long beyond the initial 20 years. It is important to be fair with citizens to end the URD at the specified time period.

There are 12 new businesses in the industrial park, producing 888 new jobs. Several of the businesses came in during the last year, and several are increasing their footprints. While Canby's Urban Renewal District has been a success, Urban Renewal Districts can be controversial.

Mr. Gervasi asked Mr. Ellis to talk about the Canby URD hiring a consultant to revise the financing schedule. Mr. Ellis explained that it was necessary to have feasibility studies done when going out for new projects. An assessment must be made to assure sufficient funds will come in for the purpose of investor confidence.

Member Rogge inquired about property valuations declining and how that affected the URD. Mr. Ellis said while residential valuations dropped because of compression, industrial properties have not. They actually brought in \$150,000 more than budgeted, but that was because of expansion by two large businesses.

Member Clark asked if the Canby Urban Renewal Agency offers loans or grants to small businesses. Mr. Ellis reported they have both loan and grant programs. There is a façade improvement grant of up to \$25,000 in matching funds and a no-match grant of \$5,000. There is also a revolving loan fund with \$150,000 maximum. The first loan from the revolving loan fund is being used now.

Member Wise asked what year Providence had come in. Mr. Ellis' response was early 2000's. Wise also wondered if the fact that they had sizeable areas of land helped. Mr. Ellis replied there are 280 contiguous acres in industrial land, with less than 50% having been developed.

Member Griswold asked if there should be a limit to the term of the Urban Renewal Districts. Mr. Ellis said in his personal opinion URD's are set up for tax increments for taxing entities and job creation, and should be limited to the number of years they are set for in the beginning to be fair and honest to citizens.

Member Clark wanted to know what the investment in the industrial park was both for private and Urban Renewal Agency. Private investment is \$74 million and Urban Renewal is at \$13 million.

Mr. Ellis was thanked for his presentation and asked if he would be willing to offer assistance in the future to the Molalla Urban Renewal District, to which he replied he would be happy to assist in any way he could.

NEW BUSINESS

Fire Chief Vince Stafford informed the Urban Renewal Agency that a minor boundary change was needed to accommodate the properties that surround the Molalla Fire Main Station. The Fire District Board of Directors requests the Urban Renewal Agency purchase one of the properties now for sale with the funds that were agreed to be returned to the Fire District in the Memorandum of Understanding between the Urban Renewal District and the Molalla Fire District. Chief Stafford explained that the four properties were always intended to become part of the Fire Department property. Discussion followed regarding the properties for sale and the available time to make the purchase.

Member Wise made a motion to make an amendment to the boundary line of the Urban Renewal Plan to include the property adjacent to the Fire Station. Member Pottle seconded. Motion carried 5-0.

The Urban Renewal Agency recommended that the first order of business for a new city manager would be to move forward with making inquiries regarding the purchase of the property needed by the Fire Department. Member Clark asked to have the city manager also look into financing for renovation of a current City property in need of emergent repairs.

Interim Urban Renewal Manager Gervasi initiated a discussion regarding hiring a consultant to analyze the tax increment financing schedule of the Urban Renewal Agency. Mr. Ellis had provided a list of names of consultants that Mr. Gervasi suggested the City Recorder could call for quotes so the Agency would have an idea of what to expect.

Member Pottle made a motion to direct staff to get quotes from the names provided. Member Clark seconded. Motion carried 5-0.

ADJOURNMENT

Member Griswold motioned to adjourn at 7:16 pm. Member Wise seconded. Motion carried 5-0.

----- Original Message -----

From:
"Peggy Johnson" adminassist@molalla.net

To:
"Sadie Cramer" <cityrecorder@molalla.net>
Cc:

Sent:
Thu, 16 May 2013 15:45:36 -0700
Subject:

Feasibility Study

Sadie,

I just talked with Nick from EcoNorthwest about the MURA Feasibility Study. He feels that with a conversation with Heather he can get the data that he needs to give us a firm grasp on where our numbers will be. The cost of this will be \$2,000 or less. If we want more extensive work done it will cost more of course, he referred to the City of Portland projects being in the \$15,000 range but we won't be anywhere near that. I will ask Heather to call him tomorrow.

For information purposes, I tried to call Tashman-Johnson and no number provided was a good number, I was given a number from City of Canby and also I looked on the internet. I did talk to Elaine Howard Consulting and she actually referred me to EcoNorthwest. Spencer and Kupper, who did the original Feasibility Study are both deceased.

Hope this helps.

Peggy