



## HRA Board Meeting Agenda

August 23, 2022

6:30 PM

Immediately following the City Council Work Session

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Chair Person: Robert Duncan  
Vice Chair Person: Mike Caughey  
Members: Kimberly Downey, Robert Boese, Adam Keaton, Randy Klemm, and Charlotte Thomas  
Meeting Location: Harrisburg Municipal Center Located at 354 Smith St.

### **PUBLIC NOTICES:**

1. *This meeting is open to the public and will be tape-recorded.*
2. *Copies of the Staff Reports or other written documents relating to each item on the agenda are on file in the office of the City Recorder and are available for public inspection.*
3. *The City Hall Council Chambers are handicapped accessible. Persons with disabilities wishing accommodations, including assisted listening devices and sign language assistance are requested to contact City Hall at 541-995-6655, at least 48 hours prior to the meeting date. If a meeting is held with less than 48 hours' notice, reasonable effort shall be made to have an interpreter present. The requirement for an interpreter does not apply to an emergency meeting. ORS 192.630(5)*
4. *Persons contacting the City for information requiring accessibility for deaf, hard of hearing, or speech-impaired persons, can use TTY 711; call 1-800-735-1232, or for Spanish voice TTY, call 1-800-735-3896.*
5. *The City of Harrisburg does not discriminate against individuals with disabilities and is an equal opportunity provider.*
6. *Masks are not required at this time. The City does ask that anyone running a fever, having an active cough or other respiratory issues, not to attend this meeting.*
7. *For information regarding items of discussion on this agenda, please contact City Recorder Lori Ross, at 541-995-6655*
8. *If you would like to testify but are unable to due to health concerns, please contact the City Recorder to be placed on a conference call during the meeting.*

**CALL TO ORDER AND ROLL CALL BY CHAIR PERSON ROBERT DUNCAN**

**CONCERNED CITIZEN(S) IN THE AUDIENCE.** (Please limit presentation to two minutes per issue.)

**NEW BUSINESS**

- 1. THE MATTER OF A PRESENTATION & BRIEFING FROM ELAINE HOWARD CONSULTING, LLC, IN RELATION TO STARTING WHAT WOULD BE HARRISBURG REDEVELOPMENT AGENCY SUBSTANTIAL AMENDMENT NO. 6**

**STAFF REPORT:**

Exhibit A: Staff Report from June 28, 2022

**ACTION: REVIEW THE INFORMATION PROVIDED BY ELAINE HOWARD CONSULTING, LLC, AND MOTION TO START THE FORMAL PROCESS OF SUBSTANTIAL AMENDMENT NO. 6**

**OTHER**

**ADJOURN**

Agenda Bill  
**Harrisburg Redevelopment Agency Board**  
Harrisburg, Oregon

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**THE MATTER OF A PRESENTATION & BRIEFING FROM ELAINE HOWARD CONSULTING, LLC IN RELATION TO STARTING WHAT WOULD BE HARRISBURG REDEVELOPMENT AGENCY SUBSTANTIAL AMENDMENT NO. 6  
STAFF REPORT:**

Exhibit A: Staff Report from June 28, 2022

**ACTION: REVIEW THE INFORMATION PROVIDED BY ELAINE HOWARD CONSULTING, LLC, AND MOTION TO START THE FORMAL PROCESS OF SUBSTANTIAL AMENDMENT NO. 6**

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**THIS AGENDA BILL IS DESTINED FOR:** Regular Agenda – August 23, 2022

<b>BUDGET IMPACT</b>		
COST	BUDGETED?	SOURCE OF FUNDS
\$28,000-\$35,000	Yes	HRA Capital Outlay – Infrastructure Construction

**STAFF RECOMMENDATION:**

**Staff recommend the HRA Board listen to the presentation and ask questions in relation to the process of starting Substantial Amendment No. 6.**

**BACKGROUND INFORMATION:**

At the meeting held on June 28, 2022, the HRA Board made a decision to set up the briefing and presentation by Elaine Howard Consulting, LLC in relation to a possible Substantial Amendment No. 6 to the HRA Plan.

In order to use a portion of the \$2,127,955 located in the HRA Capital Outlay fund, the Water Bond Project would need to be added to the HRA Plan, while the properties belonging to the City on which the water storage facilities and water treatment plants are located will need to be added to the HRA boundaries. Exhibit A is the staff report from the meeting in which this process was discussed.

By revising the plan for the HRA, we will likely be able to add more projects to the list than what was approved in 2015. The HRA has not yet used up the entire maximum indebtedness that is available according to the last substantial amendment, and this process will allow us to explore that as well, if it is needed in the future.

Elaine Howard should be available for this presentation, and Scott Vander Boos might be able to join as well. A motion to formally start the HRA Substantial Amendment No. 6 process is located at the top of this report.

REVIEW AND APPROVAL:



08/17/2022

Michele Eldridge  
Executive Director

Date

Agenda Bill  
**Harrisburg Redevelopment Agency Board**  
Harrisburg, Oregon

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**THE MATTER OF A DISCUSSION IN RELATION TO STARTING THE PROCESS OF ENTERING INTO A SUBSTANTIAL AMENDMENT OF THE HRA**

**STAFF REPORT:**

Exhibit A: Harrisburg Urban Renewal Substantial Amendment  
Scope and Budget

**ACTION: TBD – MOTION TO DIRECT THE EXECUTIVE DIRECTOR OF THE HRA TO SET UP A BRIEFING WITH ELAINE HOWARD CONSULTING TO GO OVER THE PROCESS AND TIMELINE FOR A SUBSTANTIAL AMENDMENT OF THE HRA**

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**THIS AGENDA BILL IS DESTINED FOR:** Regular Agenda – June 28, 2022

<b>BUDGET IMPACT</b>		
COST	BUDGETED?	SOURCE OF FUNDS
\$28,000-\$35,000	Yes	HRA Capital Outlay – Infrastructure Construction

**STAFF RECOMMENDATION:**

**Staff recommend the HRA Board Direct the City Administrator to set up a Briefing with Elaine Howard Consulting, LLC**

**BACKGROUND INFORMATION:**

After waiting for almost two years for the engineering and planning to be completed on the Water Bond Project, the City was excited to put out the bids on the remaining work to be completed last year. The estimate for the cost of the project was based on current, similar projects that had just been completed in other cities. Due to the results of increased prices, specifically for steel, PVC, and electronics (along with supply issues), the bid was almost \$1.7 million over what was estimated. The City Council reluctantly decided to cancel the bid and hoped that prices would come down in the future.

Therefore, this spring, the City once again went out for bid on the remaining projects on the water bond project. At the meeting held on May 10, 2022, the Harrisburg City Council discussed the 2<sup>nd</sup> bid. They were told that the lowest bid for the remaining structures for the Water Bond Project, was now \$2,662,500 over the engineers estimate. The City Council reluctantly concluded that it was better to wait, like many other cities in Oregon, and in the nation, until prices have a chance to drop again.

Staff noted during the budget preparation period, that the HRA had \$2,127,955 remaining in the Capital Outlay/Infrastructure Construction fund. Ironically, these funds came from savings from recent street projects in the HRA District, along with some program funding that resulted from an HRA loan being paid back to the City. After contacting John Hitt and the City Attorney, Staff contacted both Bond Counsel, and our former HRA consultant Elaine Howard, to pursue the possibilities of being able to apply these funds to the gap in funding for the water bond project.

Both of the City owned properties at the south water plant, and in the north, adjacent to the water treatment plant, are not currently inside the HRA District. Therefore, in order to apply HRA funds to these projects, both properties would need to be added to the HRA District. Luckily, for non-taxed (exempt) property, the HRA is not required to use an entire tax lot and can specify square footage instead. Otherwise, the north property would exceed the amount of land that the City is allowed to add to the district. The other limitation is the value of the property being brought into the district. The frozen value of land in the HRA cannot exceed 25% of the overall City property values. In 2015, the revised amount was 2.47% of the assessed value. Current property values have brought that figure up to 9.87% of the total assessed value of the City, which is still well under the maximum allowance.

It's obvious that the water bond project has a citywide benefit and has even been noted as an important part of marketing the downtown area to new businesses. The process of adding this property to the HRA boundaries will require a substantial amendment to the plan. Not only will the City need to obtain approval from at least four of the other taxing districts, but Linn County must also agree to this request, as the property to the north is outside the City's jurisdictional boundaries. Linn County has been a willing partner to the City in past Substantial Amendments, and as the property being added to the HRA is exempt, it will hopefully obtain their approval. As already discussed by the City Council, we think that there will be more support for this substantial amendment than there was for the 5<sup>th</sup> Substantial Amendment. Most people in our community, and who serve on these boards, understand the importance of improving the City's water system.

Under ORS 457.010, the water bond project is not technically a public building project, as defined under the narrow descriptions allowed by statute. This is also not a project that provides direct economic development opportunities. Regardless, many public building projects have been funded by using a proportionality approach. This means that the City can apply a reasonable amount to the water bond project based on its relationship to the TIF (Tax Increment Financing) district. The City should have a fairly strong case for using 20% of the funding in the HRA Budget (to apply to the water bond project), based on the acreage in the HRA boundaries not exceeding 20% of the entire city's acreage. As an example of how this would work; the last bid for the water bond project was \$7,962,500. 20% of this figure is \$1,592,500. Therefore, out of the \$2.6 million in the HRA, the City has the potential of using up to almost \$1.6 million of the HRA funds.

A substantial amendment takes approximately six months, due to the statutory process the HRA Board must follow. In addition, it's somewhat expensive, due to the financial analysis and again, those statutory requirements the consultant must follow. **Exhibit A** is a copy of the Urban Renewal Scope of Work from Elaine Howard Consulting. The approximate cost from her firm for this project is \$28,000 and includes a small contingency. Staff estimates another \$7,000 being the cost for survey work, and other requirements that the HRA would need to provide during this process. Staff feels that \$35,000 is affordable when looking at being able to use a potential \$1.6 million from the HRA to apply to the water bond project.

By revising the plan for the HRA, we will likely be able to add more projects to the list that was approved in 2015. One of the projects still left on the list that Staff has a lot of enthusiasm for, is a new Community Center/Library/Meeting Center. If the HRA is able to apply the full \$1.6 million, there will still be almost \$1,000,000 remaining in the budget, which can be applied to this project, and other projects we may decide on that could be applied to economic development. The HRA has not yet used up the entire maximum indebtedness that is available according to the last substantial amendment, and this process will allow us to explore that as well, if it is needed in the future. Bond Council had no concerns about any of the uses of the HRA fund, nor of utilizing any further maximum indebtedness.

If the HRA Board should decide to move ahead to obtain more information, then they should direct staff to contact Elaine Howard Consulting to provide a staff and City Council briefing to go over the process and timeline. She can also answer more questions. A motion is located at the top of this report.

REVIEW AND APPROVAL:

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Michele Eldridge                      06/23/2022  
City Administrator                      Date