



CITY OF OREGON CITY URBAN RENEWAL COMMISSION AGENDA

Commission Chambers, 625 Center Street, Oregon City
Wednesday, October 07, 2020 at 6:00 PM

The public is strongly encouraged to relay concerns and comments to the Commission in one of three ways:

- *Email at any time up to 12 p.m. the day of the meeting to recorderteam@orc.org.*
- *Phone call (Monday – Friday, 8 am – 5 pm) to 503-496-1505, all messages will be relayed and/or citizens can sign-up to be called during the meeting to provide over-the-phone testimony.*
- *Mail to City of Oregon City, Attn: City Recorder, P.O. Box 3040, Oregon City, OR 97045.*

CALL TO ORDER

ROLL CALL

CITIZEN COMMENTS

PUBLIC HEARING

1. Resolution No. UR20-01, Supplemental Budget to Appropriate Funds to Pay Off Outstanding Debt for the 2019-21 Biennium

GENERAL BUSINESS

2. Minutes of the August 19, 2020 Regular Meeting

COMMUNICATIONS

ADJOURNMENT

PUBLIC COMMENT GUIDELINES

Citizens are allowed up to 3 minutes to present information relevant to the City but not listed as an item on the agenda. Prior to speaking, citizens shall complete a comment form and deliver it to the Staff Member. When the Chair calls your name, proceed to the speaker table and state your name and city of residence into the microphone. To assist in tracking your speaking time, refer to the timer on the table.

As a general practice, the Urban Renewal Commission does not engage in discussion with those making comments.

Electronic presentations are permitted but shall be delivered to the City Recorder 48 hours in advance of the meeting.

ADA NOTICE

The location is ADA accessible. Hearing devices may be requested from the City Staff Member 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 Web site.

Video Streaming & Broadcasts: The meeting is streamed live on Internet on the Oregon City's Web site at www.orcity.org and available on demand following the meeting. The meeting can be viewed live on Willamette Falls Television on channel 28 for Oregon City area residents. The meetings are also rebroadcast on WFMC. Please contact WFMC at 503 650 0275 for a programming schedule



CITY OF OREGON CITY

Staff Report

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

To: Urban Renewal Commission **Agenda Date:** 10/07/2020
From: Interim Deputy Finance Director Ryan Bredehoeft

SUBJECT:

Resolution No. UR20-01, Supplemental Budget to Appropriate Funds to Pay Off Outstanding Debt for the 2019-21 Biennium

STAFF RECOMMENDATION:

Move to approve Resolution No. UR20-01, A Resolution to Adopt the Supplemental Budget to Appropriate Funds to Pay Off Outstanding Debt for the 2019-21 Biennium.

BACKGROUND:

The Mayor and City Commission adopted the 2019-21 Biennial Budget on June 19, 2019. Conditions not known at the time the budget was prepared have occurred that require changes in financial planning. The economic impact of COVID-19 has resulted in a significant decline in investment earnings on the Urban Renewal Agency's accumulated reserves. As a result, the Urban Renewal Commission directed staff to pay off the Agency's higher interest debt as soon as practicable. This supplemental budget appropriates the funds to pay off the debt.

OPTIONS:

1. Approve Resolution No. UR20-01 as is.
2. Deny Resolution No. UR20-01.

BUDGET IMPACT:

Amount: \$6,173,920

FY(s): 2020-21

Funding Source(s): Reserved for Future Expenditures

RESOLUTION NO. UR20-01

A RESOLUTION TO ADOPT A SUPPLEMENTAL BUDGET TO APPROPRIATE FUNDS TO PAY OFF OUTSTANDING DEBT FOR THE 2019-21 BIENNIUM

WHEREAS, the Urban Renewal Commission adopted a budget for the 2019-21 Biennium and made appropriations by Resolution No. UR19-01 on June 19, 2019; and

WHEREAS, ORS 294.338, ORS 294.463 and ORS 294.466 provide the legal basis for changes in appropriations, and ORS 294.471 and ORS 294.473 provide the legal basis for supplemental budgets, by Commission Resolution; and

WHEREAS, the need now exists to transfer and appropriate funds for the purposes and in the amounts shown in the attached Budget Adjustment Summary; and

WHEREAS, conditions not ascertained at the time the budget was prepared have occurred that require changes in financial planning, resulting in a supplemental budget.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. The Urban Renewal Commission of Oregon City adopts the attached Budget Adjustment Summary and it be made a part hereof.

Section 2. This resolution shall take effect immediately upon adoption.

Approved and adopted at a regular meeting of the Urban Renewal Commission held on the 7th day of October 2020.

FRANK O'DONNELL, Chair of the Urban
Renewal Commission

Attested to this 7th day of October 2020:

Approved as to legal sufficiency:

Kattie Riggs, City Recorder

City Attorney

Oregon City Urban Renewal Agency
Budget Adjustment Summary
 2019 - 2021 Budget Adjustment 1

<u>Description</u>	<u>Account</u>	<u>Original Budget</u>	<u>Increase</u>	<u>Decrease</u>	<u>Revised Budget</u>
1) Debt Payoff for Interest Savings					
Urban Renewal Fund					
Long Term Debt - Principal	270-160-8002	\$ 1,744,280	\$ 6,173,920	\$ -	\$ 7,918,200
Reserved for Future Expenditure	270-160-9999	\$ 7,240,024	\$ -	\$ 6,173,920	\$ 1,066,104

Descriptions:

1) The economic impact of COVID-19 has resulted in a significant decline in investment earnings on the Urban Renewal Agency's accumulated reserves. As a result, the Urban Renewal Commission directed staff to pay off the Agency's higher interest debt as soon as practicable. This budget adjustment appropriates the funds to pay off the debt.



CITY OF OREGON CITY URBAN RENEWAL COMMISSION MINUTES

**Commission Chambers, 625 Center Street, Oregon City
Wednesday, August 19, 2020 at 6:00 PM**

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CALL TO ORDER

Commission Chair Frank O'Donnell called the meeting to order at 6:05 PM.

ROLL CALL

PRESENT: 6 - Chair Frank O'Donnell, Commissioner Dan Holladay, Commissioner Denyse McGriff, Commissioner Rocky Smith, Commissioner Rachel Lyles Smith and Commissioner Shawn Cross

STAFFERS: 5 - City Manager Tony Konkol, City Recorder Kattie Riggs, Finance Director Wyatt Parno, Economic Development Manager James Graham and Public Works Director John Lewis.

CITIZEN COMMENTS

There were no citizen comments.

DISCUSSION ITEM

1. Financial Update and Discussion Regarding Accumulated Reserves

Tony Konkol, City Manager, introduced the topic mentioning that this had been a request from the Commission to bring forward since the last Urban Renewal Commission meeting.

Wyatt Parno, Finance Director, provided a presentation on the Urban Renewal financial status and accumulated reserves. He began with background regarding Urban Renewal and the laws that regulate Urban Renewal, how it is funded, and debt. He provided an overview of the current Urban Renewal Plan, best practices, the 2015 initiative measure and court decision.

The economic impact of COVID-19 has resulted in a significant decline in investment earnings on the Urban Renewal Agency's \$6.4 million in accumulated reserves. As a result, the Urban Renewal Commission requested information on the Agency's financial status to consider

updating policy direction on use of the reserves. The Agency's reserves could be used to prepay debt commitments, which have scheduled payoff dates in 2023, including one large balloon payment. Prepayment of the debt would save approximately \$500,000 over the three years. Alternatively, the Commission could appropriate the reserves in anticipation of projects that would create tax increment value beyond the interest savings or provide a valuable public benefit.

There are three options, which include: 1) use reserves to prepay outstanding debt for interest savings, 2) appropriate reserves for an upcoming project, and 3) continue to hold the reserves in unappropriated status. Absent an identified near-term project, the Finance Department recommends using reserves to prepay outstanding debt for interest savings.

Mayor Holladay asked if there was a pre-payment penalty and Director Parno indicated there was not.

Commissioner McGriff asked for detail on the balloon payment. Director Parno explained the concept of the balloon payment and timing involved.

Mayor Holladay asked about the maximum term if borrowing funds between agencies. Director Parno explained there is a ten-year term to repay.

Commissioner Cross asked about when the TIF (Tax Increment Financing) revenue comes in. Director Parno explained it comes in November.

Commissioner Cross asked if there are any potential projects, and if so, would it be better to hang onto the reserves. Mayor Holladay responded that he felt there was adequate funds if a project did come up.

Commissioner O'Donnell commented that he felt paying off the debt was a smart housekeeping move.

Commissioner McGriff expressed concerns about the timing of paying off the debt.

James Graham, Economic Development Manager, commented that Urban Renewal should not be guided by projects alone, but there be a vision for what they want to achieve.

A motion was made by Commissioner Holladay, seconded by Commissioner O'Donnell, to pay off the debt with the accumulated reserves. The motion carried with the following vote:

Aye: 6 – Chair O'Donnell, Commissioners Holladay, McGriff, Smith, Lyle Smith, and Cross

COMMUNICATIONS

There were no communications.

ADJOURNMENT

Chair O'Donnell adjourned the meeting at 7:04 PM.

Respectfully submitted,

Kattie Riggs, City Recorder
