

Urban Renewal Agency
Agenda Packets

1990

CITY OF OREGON CITY

Incorporated 1844

Memo

Dated

November 28, 1990

Page 1 of 1

Subject: Red Soils Financing
Security Pacific Bank Report

Memo No. 90-07

Attached for Agency review is the selection of bond counsel, preliminary terms for the bond issue, distribution list and proposed issuance schedule.

Also attached is an estimated source and use of funds chart and cash flow chart, for Agency review. Please note that this attachment illustrates a \$1.87 million bond issue instead of the \$2.45 million issue originally discussed.

The reduction in borrowing amount reflects a more conservative financial market because of Measure 5, the need for a 30% reserve fund, and the desire for a 10 year amortization term. A longer term would give the Agency more flexibility in funding its projects and will need to be further discussed.

The borrowing structure still anticipates a Series A & B issue with Series A used for the Phase 1 public improvements and Clairmont Club borrowing repayment, and Series B the acquisition of Red Soils. Because of cash flow reasons the Agency will need to either delay some of the Phase 1 improvements or delay the repayment of the Clairmont borrowing.

As I will discuss at the work session, delaying the Phase 1 public improvements may not be an option. Dan Anderson, with Security Pacific Bank, will be available to answer Agency questions.


JOHN G. BLOCK
Executive Director

JGB:im

Attach.

cc: Charles Leeson, City Manager
Scott Harper, Finance Officer
Dan Anderson, First Vice-President, Security Pacific Bank

URBAN RENEWAL AGENCY



SECURITY PACIFIC BANK OREGON

November 9, 1990

James Shannon
Rankin, Mersereau & Shannon
1600 Benj. Franklin Plaza
Portland, OR 97258

RE: Oregon City Urban Renewal Agency - Hilltop Redevelopment Area Financing

Dear Jim:

Agency staff informed me this afternoon that they would like your firm to serve as Bond Counsel for the forthcoming Hilltop Redevelopment Area Financing which we discussed in recent weeks.

To assist you in this process I enclose a Terms Summary, a Distribution List and Schedule for the transaction as of this date. Note that the financing requires that one of the two series of bonds be issued as a qualified redevelopment bond which will require a private activity allocation from the State. I have informed the Agency that there exists significant uncertainty that such an allocation will be forthcoming. This notwithstanding, could you please initiate the PAB allocation request process at your earliest convenience, seeking an allocation of \$900,000 only. (This figure represents \$800,000, plus a reserve not to exceed \$80,000 plus 2% allocated issuance expenses.)

I am also enclosing a form of bond resolution from a second (unrelated) urban renewal financing. Please use this form as a point of departure for this project. It will need to be modified to provide for two series of bonds and to provide a mechanism for escrowing a portion of the two issue's proceeds.

Please call if you have any questions regarding this letter or any of the enclosures. I look forward to working with you on this transaction.

Sincerely,

Daniel Anderson
First Vice President



SECURITY PACIFIC BANK OREGON

Oregon City Urban Renewal Agency
approximately \$2,450,000 Hilltop Urban Renewal Bonds, Series A&B

PRELIMINARY TERMS SUMMARY as of November 9, 1990

Par: Total of \$2.45 million plus funding of issuance expenses and a debt service reserve. The Bonds will be issued as two series of bonds. Series A is \$1.65 million governmental purpose bonds and Series B is \$800 thousand qualified redevelopment bonds. All terms in this Summary for Series A and B identical except as noted.

Dated: December 1, 1990

Delivered: On or before December 31, 1990

Due: July 1, 2001 (single term bond per series)

Interest Payable: January 1 and July 1, commencing July 1, 1991

Interest Rates: to be determined

Security: First lien and pledge of tax increment revenues from Hilltop Urban Renewal Area; balances in Reserved Construction Accounts; and interest in all funds and accounts; funded debt service reserve.

Funds & Accounts: A Tax Increment Fund divided (in priority order) into a Bond Account; a Reserve Account; a Contingent Redemption Account, and; a General Account.

Series A and B Projects Funds, each divided into an Available Construction Account; a Reserved Construction Account, and; a Cost of Issue Account.

A General Fund.

Mandatory Redemption: The Bonds include a mandatory Contingent Redemption feature. This feature requires annual partial redemptions at par on July 1st from tax increment receipts in excess of current interest requirements to a predefined maximum annual debt service expenditure amount.

Mandatory redemption on third anniversary of issuance date but solely from and to the extent that funds remain unexpended in the Reserved Construction Accounts.

Oregon City Urban Renewal Agency
\$2,450,000 Hilltop Urban Renewal Bonds, Series A&B
Preliminary Terms as of November 9, 1990

Optional Redemption: In whole or in part on any interest date at par.

Escrowed Proceeds: A portion of the proceeds of one or both series of Bonds will be deposited in a Reserved Construction Account ("RCA"). On or prior to the third anniversary of the Bonds' date of issue, the Agency may transfer funds from the RCA to the Available Construction Account for expenditure but only if it first receives the certificate of an independent expert having a favorable reputation for accuracy and reliability to the effect that Tax Increment Revenues exceed scheduled debt service requirements (including Contingent Redemption amounts) by not less than 30% of the scheduled requirements. Funds on deposit in the RCA need not be included in this certificate process.

Required Reserve: One year's interest reckoned at original principal amount of Bonds.

Parity Debt: Permitted. Requires full funding of parity debt Required Reserve level on or prior to closing and Agency receipt of the certificate of an independent expert having a favorable reputation for accuracy and reliability to the effect that Tax Increment Revenues exceed scheduled debt service requirements (including Contingent Redemption amounts) by not less than 30% of the scheduled requirements, assuming the proposed Parity Debt is outstanding. Funds on deposit in the RCA need not be included in this certificate process.

Subordinate Debt: Permitted. Payable only from Bond Fund General Account.

Tax Status

	Series A	Series B
	-----	-----
Federally Exempt?	Yes	Yes
AMT Subject?	No	Yes
Bank Qualified?	Yes	No
Oregon Exempt?	Yes	Yes

11/9/90



SECURITY PACIFIC BANK OREGON

Oregon City Urban Renewal Agency
approximately \$2,450,000
Urban Renewal Bonds, Series 1990 A & B

DISTRIBUTION LIST

John G. Block
Oregon City Urban Renewal Agency
320 Warner Milne Rd.
Oregon City, OR 97045
TEL: 657-0891
FAX: 655-0530

Charles Leeson, City Manager
City of Oregon City
320 Warner Milne Rd.
Oregon City, OR 97045
TEL: 657-0891
FAX: 655-0530

J. Scott Harper, Finance Officer
City of Oregon City
320 Warner Milne Rd.
Oregon City, OR 97045
TEL: 657-0891
FAX: 655-0530

James Shannon
Rankin, Mersereau & Shannon
1600 Benj. Franklin Plaza
Portland, OR 97258
TEL 226-6400
FAX 226-0383

Daniel Anderson
Security Pacific Bank Oregon
Public Finance Department
P.O. Box 2715 - ZIP = 97208
1001 SW 6th / 2nd Floor
Portland, OR 97204
TEL 796-2655
FAX 222-7761

Joan Autio
Security Pacific Bank Oregon
Corporate Trust Dept
P.O. Box 2808 - ZIP = 97208
1001 SW 5th / 4th Floor
Portland, OR 97204
TEL 222-7635

Ed Sullivan
Preston Thorgrimson Shidler Gates & Ellis
3200 US Bancorp Tower
111 SW Fifth Ave
Portland, OR 97204
TEL 228-3200
FAX 248-9805

11/9/90



SECURITY PACIFIC BANK OREGON

Oregon City Urban Renewal Agency
\$2,450,000 Hilltop Urban Renewal Bonds, Series A&B

Proposed Schedule as of November 9, 1990

Week of Nov 12	City Staff & Security Pacific refine sizing, structure of the bonds. Private activity allocation process for Series B Bonds commenced under direction of Bond Counsel.
Week of Nov 19	Bond counsel drafts bond resolution & circulates. Security Pacific drafts preliminary official statement and circulates.
Week of Nov 26	All hands meeting to review resolution, disclosure documents.
November 28	Resolutions to City, Agency for meeting packets
Early December	Documents refined as required;
December 5	Agency Board, City Council adopt resolutions as required.
Mid December	Private Activity Committee provides allocation for Series B Bonds.
Late December	Presentation to local dealer community; Bonds priced; purchase contract executed. Financing closed; funds to Agency.
July 1, 1991	First interest payment due

City of Oregon City Urban Renewal Agency
Hilltop Redevelopment Area
Urban Renewal Bonds, Series 1990 A&B

Estimated Sources and Uses of Funds

	Series A	Series B	Total
Sources of Funds			
Bonds, par	\$975,000	\$800,000	\$1,775,000
Underwriter's Discount	(19,500)	(16,000)	(35,500)
FY 91 Tax Increment Receipts	75,638	62,062	137,700
Net Sources of Funds	\$1,031,138	\$846,062	\$1,877,200
Uses of Funds			
Governmental Purpose Projects	\$550,000	\$0	\$550,000
Land Acquisition	0	740,000	740,000
Clairmont Repayment Escrow	350,000	0	350,000
Debt Service Reserve	70,688	58,000	128,688
Issuance Expenses	11,425	9,375	20,800
July 1 Interest Payment	35,344	29,000	64,344
Contingency	13,681	9,687	23,369
Total Uses of Funds	\$1,031,138	\$846,062	\$1,877,200
Issuance Expense Detail			
Bond Counsel	\$7,141	\$5,859	\$13,000
Disclosure	1,648	1,352	3,000
Printing	1,099	901	2,000
Escrow Agent / Registrar	824	676	1,500
CUSIP	55	45	100
Courier	110	90	200
Composite Misc.	549	451	1,000
	\$11,425	\$9,375	\$20,800

Security Pacific Public Finance
19-Nov-90
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OREGON CITY URBAN RENEWAL AGENCY - URBAN RENEWAL BONDS, SERIES 1990
Case: 30% Value Decline Commencing FY 92; FY 91 Projects Only; 10 Yr Term

19-Nov-90
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FY End June 30		1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Prior Increment		0	6,429	13,929	13,929	13,929	13,929	13,929	13,929	13,929	13,929	13,929
New Increment		4,500	7,500	0	0	0	0	0	0	0	0	0
Tot Incr w/ Decline to	70%	4,500	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750
Rate \$/1,000 inside limit		32.20	25.00	22.50	20.00	17.50	15.00	15.00	15.00	15.00	15.00	15.00
outside limit		1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80
TI Receipts @	90%	137,700	235,170	213,233	191,295	169,358	147,420	147,420	147,420	147,420	147,420	147,420
Prior Year's		0	4,131	20,268	22,055	19,861	17,667	15,473	14,742	14,742	14,742	14,742
Total TI Receipts		137,700	239,301	233,501	213,350	189,218	165,087	162,893	162,162	162,162	162,162	162,162

RESOURCES & REQUIREMENTS

Unrestricted Beg Bal		0	24,169	0	0	0	0	0	(0)	(0)	(0)	0
DSR		0	128,688	128,688	103,313	103,313	103,313	103,313	103,313	103,313	103,313	103,313
Escrowed Proceeds		0	350,000	350,000	0	0	0	0	0	0	0	0
TI Receipts		137,700	239,301	233,501	213,350	189,218	165,087	162,893	162,162	162,162	162,162	162,162
Bonds Par		1,775,000	0	0	0	0	0	0	0	0	0	0
Loan Proceeds		0	0	0	0	0	0	0	0	0	0	0
Int Earnings @	7.50%	0	35,902	33,998	7,748	7,748	7,748	7,748	7,748	7,748	7,748	2,847
Total Resources		1,912,700	778,059	746,186	324,410	300,279	276,148	273,954	273,223	273,223	273,223	268,322

Series A Projects		550,000	0	0	0	0	0	0	0	0	0	0
Series B Projects		740,000	0	0	0	0	0	0	0	0	0	0
Escrowed Proceeds		350,000	350,000	0	0	0	0	0	0	0	0	0
Cost of Bond Issue		55,500	0	0	0	0	0	0	0	0	0	0
Agency Admin		0	0	0	0	0	0	0	0	0	0	0
DSR		128,688	128,688	103,313	103,313	103,313	103,313	103,313	103,313	103,313	103,313	0
Bond Interest @	7.25%	64,344	128,688	116,313	78,137	67,773	58,406	50,110	41,371	32,052	22,058	11,338
Bond Principal		0	170,684	526,561	142,961	129,194	114,429	120,532	128,539	137,858	147,853	156,389
Unrestricted End Balance		24,169	0	0	0	0	0	(0)	(0)	(0)	0	100,595
Total Requirements		1,912,700	778,059	746,186	324,410	300,279	276,148	273,954	273,223	273,223	273,223	268,322

Coverage = (TI + Int Earn) / (Int Due)	2.14	2.14	2.30	2.83	2.91	2.96	3.41	4.11	5.30	7.70	14.55	
Memo: Period End Bond Debt Balance												0

AMORTIZATION SOURCES SUMMARY

Beginning Bond Bal	1,775,000
Ammo from Escrow	(375,375)
Ammo from Pledged Resources	(1,396,923)
Ending Bond Balance to Refi	0

CITY OF OREGON CITY

Incorporated 1844

Memo

Dated

November 28, 1990

Page 1 of 1

Subject: November 28, 1990 Work Session
Downtown Urban Renewal Plan

Memo No. 90-06

The purpose of the work session is to review the results of the November 14 public hearing and provide final direction on the development strategy, project activities and estimated cost and schedules.

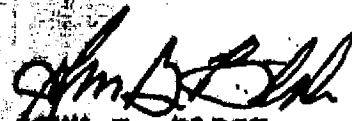
The Planning Commission will hold a public hearing November 27 to verify the project activities compliance with the Comprehensive Plan. The Agency will hold a public hearing on December 12 to approve the final plan and recommend it to the City Commission for a public hearing on December 19 for final approval and ordinance adoption.

Attached are the minutes of the November 14 public hearing and the latest draft of the development strategy, project activities and estimated cost and schedule for Agency review. The boundary has been modified to remove the Holcomb Boulevard improvement project and the project list changed to reflect the reduction in estimated project revenues and testimony at the public hearing.

Projects added back in were:

- o A smaller 8th Street dock project. This will include the pedestrian improvement north of Eighth Street along the Willamette River.
- o A smaller McLoughlin Bluff/Promenade improvement. This will include landscape, pedestrian areas improvement and benches.

Projects taken out were the County office assistance project. This project had to come out to allow estimated revenues to be used for the Eighth Street dock and pedestrian improvements and the McLoughlin Bluff/Promenade improvements.


JOHN G. BLOCK
Executive Director

JGB:im

Attach:

cc: Charles Leeson, City Manager

URBAN RENEWAL AGENCY

DOWNTOWN OREGON CITY/END OF TRAIL AREA URBAN RENEWAL PLAN

DEVELOPMENT STRATEGY

Third Draft
November 16, 1990

The Urban Renewal Plan will implement an overall development strategy for the Downtown Oregon City/End of Trail Area. The development strategy is based on the problems and opportunities found in several sub-districts within the plan area, and the available of revenues over time needed to carry out project activities within each sub-district. The strategy also relies on additional design and planning activities throughout the duration of the plan to further define a vision and specific project activities for sub-districts. The sub-districts are: **Park Place Interchange; Lagoon/Waterfront Area; End of Trail Area; Downtown; Washington-7th Corridor; and Heritage Center.**

Overall Strategy

1. Assist in preparing plans, comprehensive plan amendments and zoning changes in order to implement the End of the Oregon Trail Center Plan and related tourist commercial developments. When these plans and amendments are approved, amend this urban renewal plan to include project activities in support of these plans and amendments.
2. Direct short-term (0-5 years) public investments into areas with the greatest development and redevelopment potential. These areas are the End of Trail, and Lagoon/Waterfront Area.
3. Establish on-going business assistance programs in the Downtown area in the short-term which are designed to improve the downtown streetscape and building facades for existing building owners and tenants.
4. Direct mid-term (6-10 years) and long-term (11-15 years) public investments in Downtown, Park Place, Washington/7th Corridor and Heritage Center to support existing commercial and residential uses, and to stimulate new private investment.

Sub-District Strategies

1. End of Trail. Pubic improvements are needed to support the End Of Oregon Trail Center. The EOT Center will contain an interpretive center, outdoor/living history quarter, amphitheater, restored 1850's district, an immigrant park, festival marketplace and related parking. Improvements are needed now to address existing

problems in the area. After the EOT plan and related comprehensive plan amendments are approved, additional improvements will be needed which may include site assembly and preparation, street, sewer and water projects, relocation assistance and others. Public improvements anticipated in this plan include:

- Road improvements including ROW acquisition and relocation
- Parking and site preparation improvements
- Fire protection facilities
- Abernethy Creek improvements

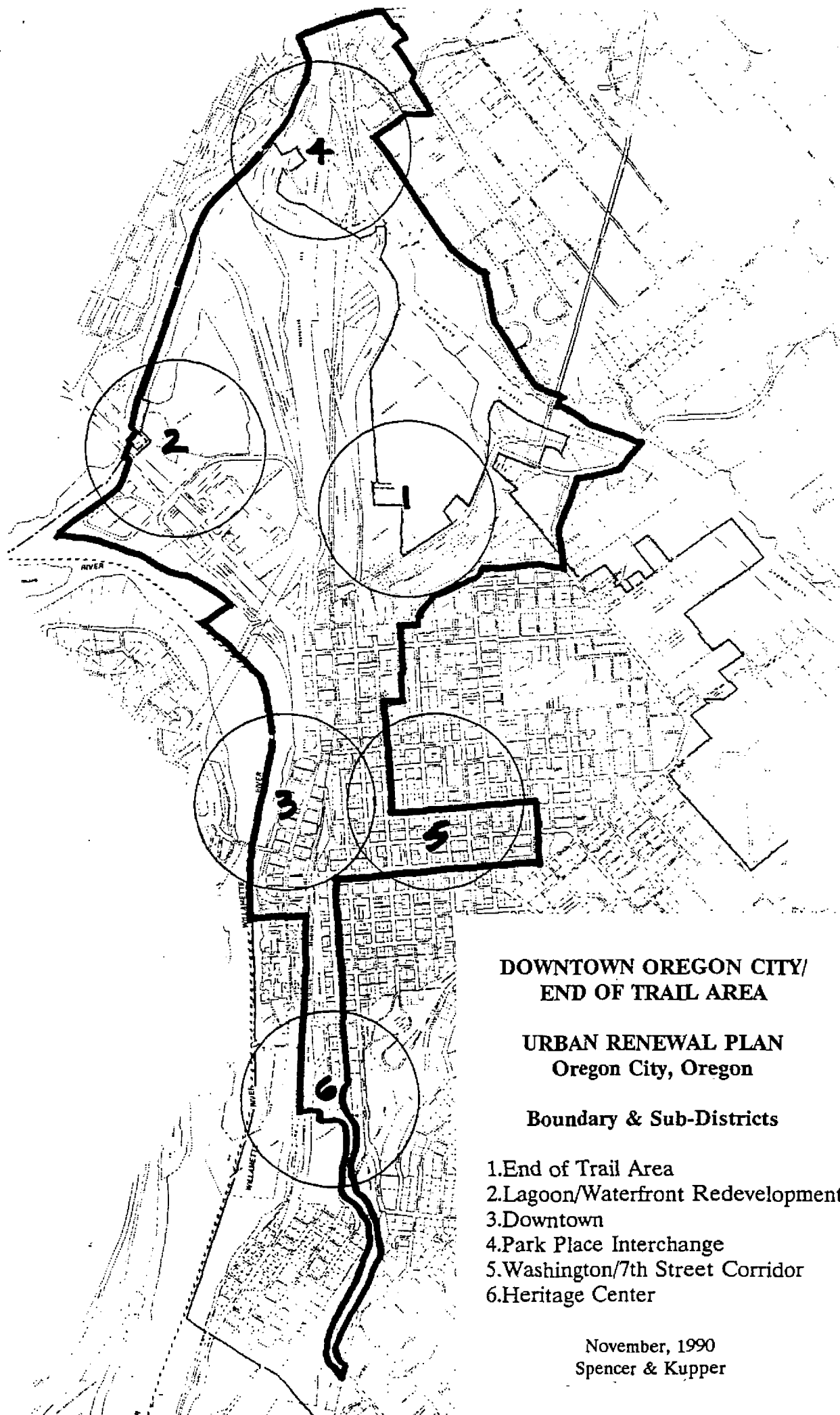
2. Lagoon/Waterfront Area. This area will be redeveloped for tourist commercial uses directly related to the End of Trail Center, and existing parks will be enlarged and enhanced. Tourist commercial uses in the lagoon area include hotels, restaurants, marinas, and housing. Clackamette Park will also be expanded and improved and expanded along both the Willamette and Clackamas Rivers. After the EOT plan and related comprehensive plan amendments are approved, additional improvements will be needed which may include site assembly and preparation, street, sewer and water projects, relocation assistance and others. Public investments and improvements anticipated in this plan include:

- Lagoon redevelopment plan
- Park land acquisition/development
- Clackamette Park improvements
- River access trail
- Mixed-use project site assembly and preparation
- Main Street and Agnes Ave. reconstruction
- Tour boat dock and marina

3. Downtown. The historic downtown area will be enhanced, and retail and office opportunities will be supported by on-going programs and public improvements. In order to improve the linkages between the downtown and End of Trail area, a special design and transportation plan will be prepared. This plan will improve the flow of people and vehicles between these two activity areas, and should consider pedestrians, bicycles, automobiles and special modes such as trolleys and light rail. Public investments and improvements include:

- Historic buildings analysis: conservation/development program
- Downtown streetscape improvements
- Building facade improvement program
- Transportation linkages plan and implementation
- Surface parking improvements

- 8th Street dock redevelopment
 - Promenade and viewpoint improvements
4. Park Place. The Park Place interchange area currently has a mix of industrial, commercial and residential land uses which do not take full advantage of the transportation and recreational improvements planned for the area. A sub-area design plan is needed in order to identify development and redevelopment opportunities and guidelines for more compatible uses such as tourist commercial, office, and high density housing. Public investments and improvements include:
- Design plan preparation
 - Development and redevelopment assistance
5. Washington/7th Street Corridor. Traffic management improvements are needed in this sub-district in order to encourage traffic on 7th, and discourage traffic on Washington. In addition, streetscape, and parking improvements are needed along 7th, and facade/building rehabilitation assistance will improve this local commercial corridor. Improvements to public areas will also enhance the area. Public investments and improvements include:
- Sub-district design plan
 - Parking improvements
 - Building rehabilitation assistance
 - Streetscape improvements on 7th
 - Washington St. traffic diverter
 - Library rehabilitation assistance
6. Heritage Center. The focus of this sub-area is the new county museum. The area also serves as the entrance into Oregon City from the south. Transportation improvements are needed in the area to improve local circulation, and to improve the connections with the Downtown. Public investments and improvements include:
- Sub-district design plan
 - Transportation improvements



**DOWNTOWN OREGON CITY/
END OF TRAIL AREA**

**URBAN RENEWAL PLAN
Oregon City, Oregon**

Boundary & Sub-Districts

1. End of Trail Area
2. Lagoon/Waterfront Redevelopment Area
3. Downtown
4. Park Place Interchange
5. Washington/7th Street Corridor
6. Heritage Center

November, 1990
Spencer & Kupper

**DOWNTOWN OREGON CITY/END OF TRAIL AREA
URBAN RENEWAL PLAN**

PROJECT ACTIVITIES

16 November, 1990

A. Transportation and Related Public Improvements

Traffic and pedestrian circulation and safety, parking and other transportation deficiencies have been identified as issues contributing to the depressed conditions in the urban renewal area, and constraints to future development called for in the Oregon City Comprehensive Plan. The Oregon City Transportation Master Plan and End of Oregon Trail Center Master Plan have identified needed transportation improvement projects. Downtown studies and studies of the 7th Street corridor have identified the need for streetscape and parking improvements in order to better serve the businesses, workers and residents of these areas. In order to correct these deficiencies, the Urban Renewal Agency will participate in the planning, design and construction of transportation and related public improvements throughout the area. These improvements will be subject to further engineering study including a determination whether acquisition for right-of-way will be required.

1. Main Street Reconstruction: Main Street in the Lagoon/Waterfront area will be reconstructed to improve access to and within the area, increase traffic capacity, and provide pedestrian and bicycle improvements. Improvements include but are not limited to roadway reconstruction, sidewalks, street trees and landscaping, signals, right-of-way acquisition and relocation, street furnishings, utility relocation and other elements as required.
2. Agnes Avenue Reconstruction: Agnes Avenue in the Park Place and Lagoon/Waterfront areas will be reconstructed to improve access to and within the area, increase traffic capacity, and provide pedestrian and bicycle improvements. Improvements include but are not limited to roadway reconstruction, sidewalks, street trees and landscaping, signals, right-of-way acquisition and relocation, street furnishings, utility relocation and other elements as required.
3. End of Trail Road Improvements: Road improvements to Washington Street, Abernethy Road and other local streets are required to provide access to and within the End of Trail Area. Improvements include but are not limited to roadway reconstruction, sidewalks, street trees and landscaping, signals, right-of-way acquisition and relocation, street furnishings, utility relocation and other elements as required.

4. End of Trail Parking Improvements: Parking improvements required to serve the End of Trail Area will be completed. Improvements include but are not limited to right-of-way acquisition and relocation, site preparation, parking facility construction, landscaping, signage, utility relocation, drainage and other elements as required.
5. Downtown/7th Street Parking Improvements: Surface parking improvements in Downtown along Railroad Avenue and in the 7th Street corridor will be completed to serve existing and future shoppers and workers expected in both areas. Improvements include but are not limited to right-of-way acquisition and relocation, site preparation, parking facility construction, landscaping, signage, utility relocation, drainage and other elements as required.
6. Downtown and 7th Street Area Streetscape Improvements: A streetscape design and improvement project to improve downtown streets and 7th Street in order to make the areas more attractive and comfortable for pedestrians, shoppers and tourists. Improvements include but are not limited to sidewalk widening, street trees and landscaping, paved crosswalks, alleyways and parking area improvements, street furniture, plazas, street improvements, signals and other streetscape improvements.
7. Washington Street Traffic Diversion: A traffic diversion program will be completed in order to concentrate through traffic on 7th Street, and discourage through traffic on Washington Street. Improvements include but are not limited to intersection channelization, sidewalk widening, street trees and landscaping, paved crosswalks, street furniture, street improvements, signals and other streetscape improvements.
8. South End Road Improvements: Road improvements to South End Road and other local streets are required provide access to the Downtown. Improvements include but are not limited to site preparation, roadway reconstruction, sidewalks and bikelanes, street trees and landscaping, signals, right-of-way acquisition and relocation, street furnishings, utility relocation and other elements as required.

B. Parks and Recreation Improvements

The urban renewal area is located on both the Clackamas and Willamette Rivers, which provide the most diverse recreational opportunities of any city in the region. The Oregon City Revised Master Plan, Oregon City Facilities Study, and End of Oregon Trail Center Master Plan have concluded that there is a need for over 200 acres of additional park land in Oregon City, and that existing parks need improvements. In order to correct these deficiencies, the Urban Renewal Agency will participate in the planning, design and construction of parks and recreation facilities and related public improvements throughout the area. These improvements will be subject to further engineering study including a determination whether acquisition for right-of-way will be required.

1. Lagoon/Waterfront Parkland Acquisition: Land assembly for public parks along the Clackamas and Willamette Rivers will be accomplished as part of this plan. Clackamette Park will be enlarged, and a new park site will be created along the Clackamas River as part of the Lagoon Redevelopment project. Tax lots to be acquired for parks include: Map 22E 29, TL 1700, 1503(part); Map 22E 20, TL 502(part); Map 22E 30, TL 100, 1300.

Parkland acquisition activities include land acquisition, relocation, and site preparation.

2. River Access Trail: A river access trail will be constructed along the Clackamas and Willamette Rivers linking the Park Place area to Downtown Oregon City. Improvements may include but are not limited to site preparation, trail construction, parking, landscaping, furnishings and other elements as required.
3. Tour Boat Dock/Marina: Participate in a joint public/private development of a tour boat dock and marina in the Lagoon/Waterfront Area. Improvements may include but not be limited to site preparation, dock/marina facilities, parking, utilities, landscaping, furnishings and other elements as required.
4. Clackamette Park Improvements: Construct landscaping and park improvements within Clackamette Park. Improvements include but are not limited to site improvements, street and parking improvements, landscaping, irrigation, lighting, furnishings, restrooms, day-use structures, and boat ramp improvements.
5. 8th Street Dock and Waterfront Area Improvements: Public improvements along the Willamette Riverfront will enhance one of the most significant aspects of the Renewal Area. Improvements including a riverfront promenade, plaza, park, viewing area and dock capable of accommodating large tourist boats will be constructed. A pedestrian/bikepath from Clackamette Park along the Willamette River to the riverfront promenade will also be completed.
6. McLoughlin Bluff/Promenade Improvements: A series of improvements will be completed in the Downtown area. These improvements include but are not limited to improvement of landscaping along the Willamette Bluff, and improvement of the McLoughlin promenade and 99E pedestrian way.
7. Abernethy Creek Corridor Improvements: Construct landscaping and park improvements along the Abernethy Creek Corridor.

C. Development and Redevelopment Assistance

The poor condition of many buildings throughout the Area, the lack of facade improvements

and the generally poor maintenance of many downtown buildings contribute to the obsolescence and deterioration of the area. The Downtown Oregon City Building Improvement Handbook provides a good guide for building improvements, but many property owners have been unable to make the necessary improvements. In addition, lotting patterns, varied ownerships, physical constraints and existing incompatible uses act as deterrents to redevelopment consistent with the Oregon City Comprehensive Plan, and the End of Oregon Trail Center Master Plan. In order to address these problems, the Urban Renewal Agency will develop incentives for property owners to upgrade the character and appearance of structures, develop incentives to encourage the development and redevelopment of medium and high density housing within the Area, and when needed, assist in land assembly and site preparation for resale to private developers.

1. Facade Improvement No-interest Loan Program: A no-interest loan program for the Downtown and 7th Street Corridor areas to encourage building facade improvements as per the recommendations in the Building Improvement Handbook.
2. Building Rehabilitation Loan Program: A low interest loan program for property owners in the Downtown and 7th Street Corridor areas to encourage the rehabilitation of buildings requiring structural, wiring, plumbing, space organization, interior finish, exterior finish and other substantial rehabilitation to bring them to modern structural and fire codes, and ready them for conversion to modern office and retail use.
3. Lagoon Area Land Assembly and Site Preparation: The lagoon area is planned for redevelopment for tourist commercial uses directly related to the End of Trail Center. Acquisition of land, relocation of existing businesses, and site preparation activities will be undertaken by the Urban Renewal Agency as required. Tax lots to be acquired for redevelopment include: Map 22E 29, TL 1505, 1508, and 1503(part).
4. Park Place Housing Development Assistance: A housing development assistance program in the Park Place district will be undertaken by the Urban Renewal Agency in order to support the development and redevelopment of medium and high density housing. Assistance programs may include but are not limited to loans, grants, planning and permitting assistance, and other activities required to support the development of new housing.

D. Public Facility and Services Improvements

The Oregon City Facilities Study has identified needed improvements to several public facilities located in the Urban Renewal Area. The Urban Renewal Agency will participate in the planning, design and construction of public facility and services improvements, including the following:

1. End of Trail Area Fire Protection Facility: The Oregon City Facilities Study recommends that a new fire station be constructed in the End of Trail district in order to serve the urban renewal area. The Urban Renewal Agency will participate in the site acquisition and construction of a new fire station.
2. Assist City Library Restoration: The Oregon City Facilities Study identifies the need to improve the existing Carnegie library located in the Washington/7th Street district. The Urban Renewal Agency will participate in the library restoration activities, including but not limited to site and landscape improvements, public facilities, and a proportional share of building restoration.

E. Planning and Administration

It is the intent of this Plan to provide for the effective administration of the Plan, and to plan for the various activities contained in the Plan. The Urban Renewal Agency will participate in further planning and design activities for the various districts within the Plan Area, planning and design for the various project activities contained in the Plan, activities related to the preparation of this Plan, and the general administration of the Plan. Specific activities include:

1. Sub-District Design Plans: Detailed design and development plans will be prepared for the Lagoon/Waterfront Area, Downtown, Park Place, Washington/7th Street Corridor, and Heritage Center.
2. Downtown/End of Trail Transportation Linkage Plan: In order to improve the linkages between the downtown and End of Trail area, a special design and transportation plan will be prepared. This plan will consider methods to improve the flow of people and vehicles between these two activity areas, and should consider pedestrians, bicycles, automobiles and special modes such as trolleys and light rail.
3. Plan Administration: Project resources may be utilized to prepare the Urban Renewal Plan, sub-district and transportation plans, miscellaneous land use and public facility studies as needed during the course of the urban renewal plan. Activities related to a marketing program for the Area may utilize project funds. Project funds may also be utilized to pay for personnel, overhead and other administrative costs incurred in the management of the urban renewal plan.

Downtown Oregon City/End of Trail Area
PRELIMINARY ESTIMATES - PROJECT ACTIVITY COST AND PHASING

DISCUSSION DRAFT 4

KEY - Phase numbers represent five year time periods

	EST. COST	PHASE
Park Place		
Multi-Family Housing Development Assistance	\$ 150,000	3
Park Place Sub-area Design Plan	30,000	2
Lagoon/Waterfront		
Park Land Acquisiton	500,000	2
Land Assembly & Site Preparation Assistance	1,500,000	1
River Access Trail	100,000	3
Main St. Reconstruction	440,000	2
Agnes Ave. Reconstruction	700,000	2
Tour Boat Dock & Marina	250,000	3
X Prepare Lagoon Redevelopment Plan	30,000	1
Clackamette Park Improvements	200,000	1
End of Trail Area		
Road Improvements (Inc. R.O.W. and Acquis.)	1,250,000	2
Parking Improvements & Site Preparation	750,000	3
Abernethy Creek Improvements	250,000	3
Upgrade Fire Protection Services	375,000	3
Downtown Core		
Surface Parking	750,000	1
Facade Improvements	200,000	1&2
Streetscaping	50,000	1&2
Building Rehab Loans	300,000	2&3
Improve Willamette Falls Viewpoint	50,000	1
Improve Waterfront Promenade	200,000	3
8th Street Dock	350,000	3
McLoughlin Bluffs/Promenade Improvements	50,000	2
Do Sub-area Design Plan	30,000	1
Transportation Linkage Study	100,000	3
Washington-7th Corr.		
Parking Improvements	200,000	3
Bldg. Rehab Loans	300,000	3
Streetscape on 7th	100,000	3
Traffic Diversion - Washington St.	50,000	3
Library Restoration	300,000	3
Sub-area Design Plan	20,000	2
Heritage Center		
S. End Road Improvements (Shared Cost with County)	500,000	2
TOTAL	\$10,075,000	

Jean

OREGON CITY URBAN RENEWAL AGENCY

There will be a work session for the Oregon City Urban Renewal Agency on Wednesday, November 28, 1990 at 6:30 p.m. in the Commission Chambers, City Hall, 320 Warner-Milne Road, Oregon City, Oregon.

A G E N D A

6:30 p.m.	1. Downtown Renewal Plan - Memo No. 90-06
7:30 p.m.	2. Red Soils Financing - Report from Security Pacific Bank
8:00 p.m.	3. Red Soils Road Right-of-Way Acquisition

CITY OF OREGON CITY

Incorporated 1844

Dated

November 28, 1990

MEMORANDUM

Page 1 of 1

Subject: November 28, 1990 Work Session
Downtown Urban Renewal Plan

Memo No. 90-06

The purpose of the work session is to review the results of the November 14 public hearing and provide final direction on the development strategy, project activities and estimated cost and schedules.

The Planning Commission will hold a public hearing November 27 to verify the project activities compliance with the Comprehensive Plan. The Agency will hold a public hearing on December 12 to approve the final plan and recommend it to the City Commission for a public hearing on December 19 for final approval and ordinance adoption.

Attached are the minutes of the November 14 public hearing and the latest draft of the development strategy, project activities and estimated cost and schedule for Agency review. The boundary has been modified to remove the Holcomb Boulevard improvement project and the project list changed to reflect the reduction in estimated project revenues and testimony at the public hearing.

Projects added back in were:

- o A smaller 8th Street dock project. This will include the pedestrian improvement north of Eighth Street along the Willamette River.
- o A smaller McLoughlin Bluff/Promenade improvement. This will include landscape, pedestrian areas improvement and benches.

Projects taken out were the County office assistance project. This project had to come out to allow estimated revenues to be used for the Eighth Street dock and pedestrian improvements and the McLoughlin Bluff/Promenade improvements.


JOHN G. BLOCK
Executive Director

JGB:im

Attach.

cc: Charles Leeson, City Manager

URBAN RENEWAL AGENCY

DOWNTOWN OREGON CITY/END OF TRAIL AREA URBAN RENEWAL PLAN

DEVELOPMENT STRATEGY

Third Draft
November 16, 1990

The Urban Renewal Plan will implement an overall development strategy for the Downtown Oregon City/End of Trail Area. The development strategy is based on the problems and opportunities found in several sub-districts within the plan area, and the available of revenues over time needed to carry out project activities within each sub-district. The strategy also relies on additional design and planning activities throughout the duration of the plan to further define a vision and specific project activities for sub-districts. The sub-districts are: **Park Place Interchange; Lagoon/Waterfront Area; End of Trail Area; Downtown; Washington-7th Corridor; and Heritage Center.**

Overall Strategy

1. Assist in preparing plans, comprehensive plan amendments and zoning changes in order to implement the End of the Oregon Trail Center Plan and related tourist commercial developments. When these plans and amendments are approved, amend this urban renewal plan to include project activities in support of these plans and amendments.
2. Direct short-term (0-5 years) public investments into areas with the greatest development and redevelopment potential. These areas are the End of Trail, and Lagoon/Waterfront Area.
3. Establish on-going business assistance programs in the Downtown area in the short-term which are designed to improve the downtown streetscape and building facades for existing building owners and tenants.
4. Direct mid-term (6-10 years) and long-term (11-15 years) public investments in Downtown, Park Place, Washington/7th Corridor and Heritage Center to support existing commercial and residential uses, and to stimulate new private investment.

Sub-District Strategies

1. End of Trail. Pubic improvements are needed to support the End Of Oregon Trail Center. The EOT Center will contain an interpretive center, outdoor/living history quarter, amphitheater, restored 1850's district, an immigrant park, festival marketplace and related parking. Improvements are needed now to address existing

problems in the area. After the EOT plan and related comprehensive plan amendments are approved, additional improvements will be needed which may include site assembly and preparation, street, sewer and water projects, relocation assistance and others. Public improvements anticipated in this plan include:

- Road improvements including ROW acquisition and relocation
- Parking and site preparation improvements
- Fire protection facilities
- Abernethy Creek improvements

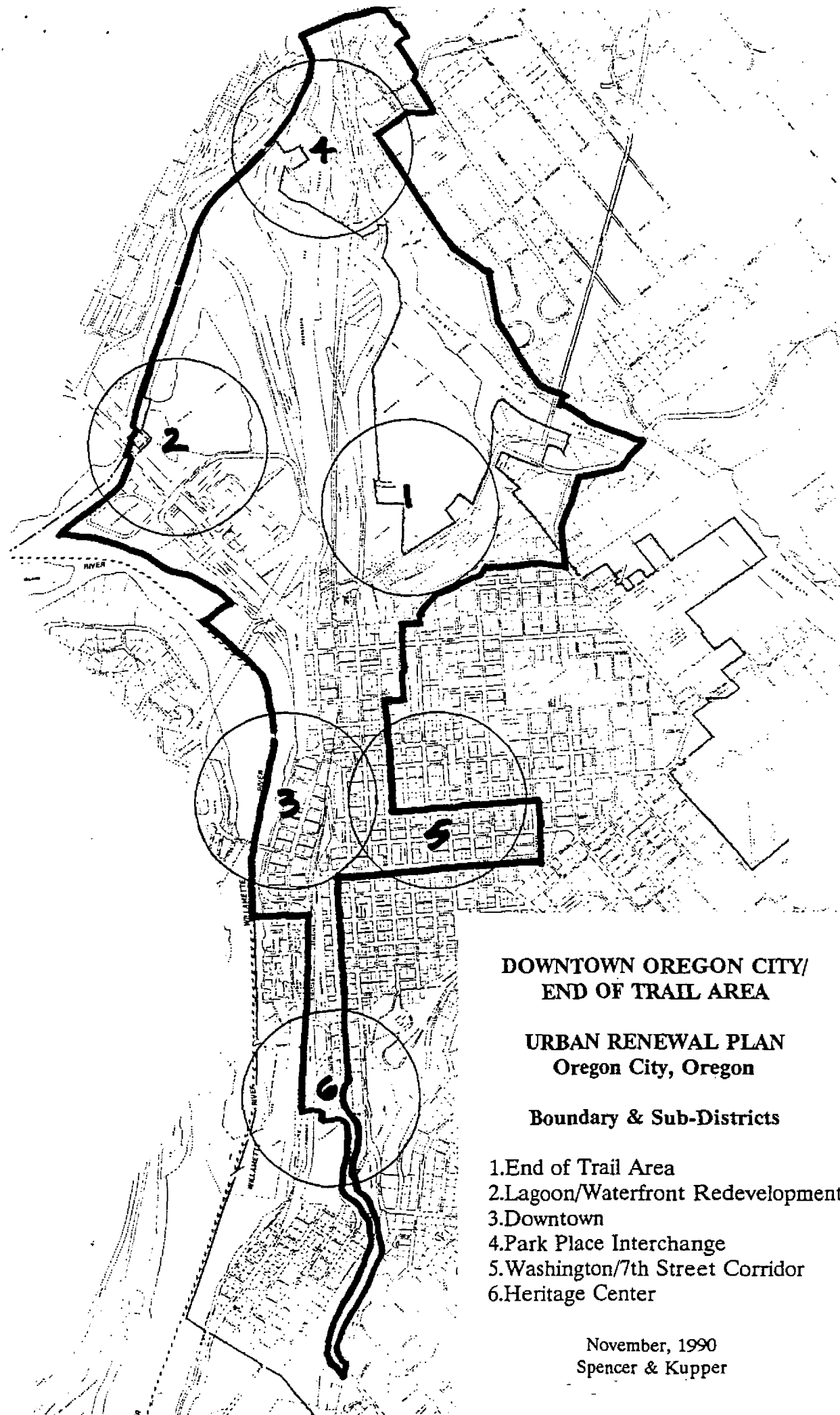
2. Lagoon/Waterfront Area. This area will be redeveloped for tourist commercial uses directly related to the End of Trail Center, and existing parks will be enlarged and enhanced. Tourist commercial uses in the lagoon area include hotels, restaurants, marinas, and housing. Clackamette Park will also be expanded and improved and expanded along both the Willamette and Clackamas Rivers. After the EOT plan and related comprehensive plan amendments are approved, additional improvements will be needed which may include site assembly and preparation, street, sewer and water projects, relocation assistance and others. Public investments and improvements anticipated in this plan include:

- Lagoon redevelopment plan
- Park land acquisition/development
- Clackamette Park improvements
- River access trail
- Mixed-use project site assembly and preparation
- Main Street and Agnes Ave. reconstruction
- Tour boat dock and marina

3. Downtown. The historic downtown area will be enhanced, and retail and office opportunities will be supported by on-going programs and public improvements. In order to improve the linkages between the downtown and End of Trail area, a special design and transportation plan will be prepared. This plan will improve the flow of people and vehicles between these two activity areas, and should consider pedestrians, bicycles, automobiles and special modes such as trolleys and light rail. Public investments and improvements include:

- Historic buildings analysis: conservation/development program
- Downtown streetscape improvements
- Building facade improvement program
- Transportation linkages plan and implementation
- Surface parking improvements

- 8th Street dock redevelopment
 - Promenade and viewpoint improvements
4. Park Place. The Park Place interchange area currently has a mix of industrial, commercial and residential land uses which do not take full advantage of the transportation and recreational improvements planned for the area. A sub-area design plan is needed in order to identify development and redevelopment opportunities and guidelines for more compatible uses such as tourist commercial, office, and high density housing. Public investments and improvements include:
- Design plan preparation
 - Development and redevelopment assistance
5. Washington/7th Street Corridor. Traffic management improvements are needed in this sub-district in order to encourage traffic on 7th, and discourage traffic on Washington. In addition, streetscape, and parking improvements are needed along 7th, and facade/building rehabilitation assistance will improve this local commercial corridor. Improvements to public areas will also enhance the area. Public investments and improvements include:
- Sub-district design plan
 - Parking improvements
 - Building rehabilitation assistance
 - Streetscape improvements on 7th
 - Washington St. traffic diverter
 - Library rehabilitation assistance
6. Heritage Center. The focus of this sub-area is the new county museum. The area also serves as the entrance into Oregon City from the south. Transportation improvements are needed in the area to improve local circulation, and to improve the connections with the Downtown. Public investments and improvements include:
- Sub-district design plan
 - Transportation improvements



**DOWNTOWN OREGON CITY/
END OF TRAIL AREA**

**URBAN RENEWAL PLAN
Oregon City, Oregon**

Boundary & Sub-Districts

1. End of Trail Area
2. Lagoon/Waterfront Redevelopment Area
3. Downtown
4. Park Place Interchange
5. Washington/7th Street Corridor
6. Heritage Center

November, 1990
Spencer & Kupper

DOWNTOWN OREGON CITY/END OF TRAIL AREA URBAN RENEWAL PLAN

PROJECT ACTIVITIES

16 November, 1990

A. Transportation and Related Public Improvements

Traffic and pedestrian circulation and safety, parking and other transportation deficiencies have been identified as issues contributing to the depressed conditions in the urban renewal area, and constraints to future development called for in the Oregon City Comprehensive Plan. The Oregon City Transportation Master Plan and End of Oregon Trail Center Master Plan have identified needed transportation improvement projects. Downtown studies and studies of the 7th Street corridor have identified the need for streetscape and parking improvements in order to better serve the businesses, workers and residents of these areas. In order to correct these deficiencies, the Urban Renewal Agency will participate in the planning, design and construction of transportation and related public improvements throughout the area. These improvements will be subject to further engineering study including a determination whether acquisition for right-of-way will be required.

1. Main Street Reconstruction: Main Street in the Lagoon/Waterfront area will be reconstructed to improve access to and within the area, increase traffic capacity, and provide pedestrian and bicycle improvements. Improvements include but are not limited to roadway reconstruction, sidewalks, street trees and landscaping, signals, right-of-way acquisition and relocation, street furnishings, utility relocation and other elements as required.
2. Agnes Avenue Reconstruction: Agnes Avenue in the Park Place and Lagoon/Waterfront areas will be reconstructed to improve access to and within the area, increase traffic capacity, and provide pedestrian and bicycle improvements. Improvements include but are not limited to roadway reconstruction, sidewalks, street trees and landscaping, signals, right-of-way acquisition and relocation, street furnishings, utility relocation and other elements as required.
3. End of Trail Road Improvements: Road improvements to Washington Street, Abernethy Road and other local streets are required to provide access to and within the End of Trail Area. Improvements include but are not limited to roadway reconstruction, sidewalks, street trees and landscaping, signals, right-of-way acquisition and relocation, street furnishings, utility relocation and other elements as required.

4. End of Trail Parking Improvements: Parking improvements required to serve the End of Trail Area will be completed. Improvements include but are not limited to right-of-way acquisition and relocation, site preparation, parking facility construction, landscaping, signage, utility relocation, drainage and other elements as required.
5. Downtown/7th Street Parking Improvements: Surface parking improvements in Downtown along Railroad Avenue and in the 7th Street corridor will be completed to serve existing and future shoppers and workers expected in both areas. Improvements include but are not limited to right-of-way acquisition and relocation, site preparation, parking facility construction, landscaping, signage, utility relocation, drainage and other elements as required.
6. Downtown and 7th Street Area Streetscape Improvements: A streetscape design and improvement project to improve downtown streets and 7th Street in order to make the areas more attractive and comfortable for pedestrians, shoppers and tourists. Improvements include but are not limited to sidewalk widening, street trees and landscaping, paved crosswalks, alleyways and parking area improvements, street furniture, plazas, street improvements, signals and other streetscape improvements.
7. Washington Street Traffic Diversion: A traffic diversion program will be completed in order to concentrate through traffic on 7th Street, and discourage through traffic on Washington Street. Improvements include but are not limited to intersection channelization, sidewalk widening, street trees and landscaping, paved crosswalks, street furniture, street improvements, signals and other streetscape improvements.
8. South End Road Improvements: Road improvements to South End Road and other local streets are required provide access to the Downtown. Improvements include but are not limited to site preparation, roadway reconstruction, sidewalks and bikelanes, street trees and landscaping, signals, right-of-way acquisition and relocation, street furnishings, utility relocation and other elements as required.

B. Parks and Recreation Improvements

The urban renewal area is located on both the Clackamas and Willamette Rivers, which provide the most diverse recreational opportunities of any city in the region. The Oregon City Revised Master Plan, Oregon City Facilities Study, and End of Oregon Trail Center Master Plan have concluded that there is a need for over 200 acres of additional park land in Oregon City, and that existing parks need improvements. In order to correct these deficiencies, the Urban Renewal Agency will participate in the planning, design and construction of parks and recreation facilities and related public improvements throughout the area. These improvements will be subject to further engineering study including a determination whether acquisition for right-of-way will be required.

1. Lagoon/Waterfront Parkland Acquisition: Land assembly for public parks along the Clackamas and Willamette Rivers will be accomplished as part of this plan. Clackamette Park will be enlarged, and a new park site will be created along the Clackamas River as part of the Lagoon Redevelopment project. Tax lots to be acquired for parks include: Map 22E 29, TL 1700, 1503(part); Map 22E 20, TL 502(part); Map 22E 30, TL 100, 1300.

Parkland acquisition activities include land acquisition, relocation, and site preparation.

2. River Access Trail: A river access trail will be constructed along the Clackamas and Willamette Rivers linking the Park Place area to Downtown Oregon City. Improvements may include but are not limited to site preparation, trail construction, parking, landscaping, furnishings and other elements as required.
3. Tour Boat Dock/Marina: Participate in a joint public/private development of a tour boat dock and marina in the Lagoon/Waterfront Area. Improvements may include but not be limited to site preparation, dock/marina facilities, parking, utilities, landscaping, furnishings and other elements as required.
4. Clackamette Park Improvements: Construct landscaping and park improvements within Clackamette Park. Improvements include but are not limited to site improvements, street and parking improvements, landscaping, irrigation, lighting, furnishings, restrooms, day-use structures, and boat ramp improvements.
5. 8th Street Dock and Waterfront Area Improvements: Public improvements along the Willamette Riverfront will enhance one of the most significant aspects of the Renewal Area. Improvements including a riverfront promenade, plaza, park, viewing area and dock capable of accommodating large tourist boats will be constructed. A pedestrian/bikepath from Clackamette Park along the Willamette River to the riverfront promenade will also be completed.
6. McLoughlin Bluff/Promenade Improvements: A series of improvements will be completed in the Downtown area. These improvements include but are not limited to improvement of landscaping along the Willamette Bluff, and improvement of the McLoughlin promenade and 99E pedestrian way.
7. Abernethy Creek Corridor Improvements: Construct landscaping and park improvements along the Abernethy Creek Corridor.

C. Development and Redevelopment Assistance

The poor condition of many buildings throughout the Area, the lack of facade improvements

and the generally poor maintenance of many downtown buildings contribute to the obsolescence and deterioration of the area. The Downtown Oregon City Building Improvement Handbook provides a good guide for building improvements, but many property owners have been unable to make the necessary improvements. In addition, lotting patterns, varied ownerships, physical constraints and existing incompatible uses act as deterrents to redevelopment consistent with the Oregon City Comprehensive Plan, and the End of Oregon Trail Center Master Plan. In order to address these problems, the Urban Renewal Agency will develop incentives for property owners to upgrade the character and appearance of structures, develop incentives to encourage the development and redevelopment of medium and high density housing within the Area, and when needed, assist in land assembly and site preparation for resale to private developers.

1. Facade Improvement No-interest Loan Program: A no-interest loan program for the Downtown and 7th Street Corridor areas to encourage building facade improvements as per the recommendations in the Building Improvement Handbook.
2. Building Rehabilitation Loan Program: A low interest loan program for property owners in the Downtown and 7th Street Corridor areas to encourage the rehabilitation of buildings requiring structural, wiring, plumbing, space organization, interior finish, exterior finish and other substantial rehabilitation to bring them to modern structural and fire codes, and ready them for conversion to modern office and retail use.
3. Lagoon Area Land Assembly and Site Preparation: The lagoon area is planned for redevelopment for tourist commercial uses directly related to the End of Trail Center. Acquisition of land, relocation of existing businesses, and site preparation activities will be undertaken by the Urban Renewal Agency as required. Tax lots to be acquired for redevelopment include: Map 22E 29, TL 1505, 1508, and 1503(part).
4. Park Place Housing Development Assistance: A housing development assistance program in the Park Place district will be undertaken by the Urban Renewal Agency in order to support the development and redevelopment of medium and high density housing. Assistance programs may include but are not limited to loans, grants, planning and permitting assistance, and other activities required to support the development of new housing.

D. Public Facility and Services Improvements

The Oregon City Facilities Study has identified needed improvements to several public facilities located in the Urban Renewal Area. The Urban Renewal Agency will participate in the planning, design and construction of public facility and services improvements, including the following:

1. End of Trail Area Fire Protection Facility: The Oregon City Facilities Study recommends that a new fire station be constructed in the End of Trail district in order to serve the urban renewal area. The Urban Renewal Agency will participate in the site acquisition and construction of a new fire station.
2. Assist City Library Restoration: The Oregon City Facilities Study identifies the need to improve the existing Carnegie library located in the Washington/7th Street district. The Urban Renewal Agency will participate in the library restoration activities, including but not limited to site and landscape improvements, public facilities, and a proportional share of building restoration.

E. Planning and Administration

It is the intent of this Plan to provide for the effective administration of the Plan, and to plan for the various activities contained in the Plan. The Urban Renewal Agency will participate in further planning and design activities for the various districts within the Plan Area, planning and design for the various project activities contained in the Plan, activities related to the preparation of this Plan, and the general administration of the Plan. Specific activities include:

1. Sub-District Design Plans: Detailed design and development plans will be prepared for the Lagoon/Waterfront Area, Downtown, Park Place, Washington/7th Street Corridor, and Heritage Center.
2. Downtown/End of Trail Transportation Linkage Plan: In order to improve the linkages between the downtown and End of Trail area, a special design and transportation plan will be prepared. This plan will consider methods to improve the flow of people and vehicles between these two activity areas, and should consider pedestrians, bicycles, automobiles and special modes such as trolleys and light rail.
3. Plan Administration: Project resources may be utilized to prepare the Urban Renewal Plan, sub-district and transportation plans, miscellaneous land use and public facility studies as needed during the course of the urban renewal plan. Activities related to a marketing program for the Area may utilize project funds. Project funds may also be utilized to pay for personnel, overhead and other administrative costs incurred in the management of the urban renewal plan.

Downtown Oregon City/End of Trail Area
PRELIMINARY ESTIMATES - PROJECT ACTIVITY COST AND PHASING

DISCUSSION DRAFT 4

KEY - Phase numbers represent five year time periods

	EST. COST	PHASE
Park Place		
Multi-Family Housing Development Assistance	\$ 150,000	3
Park Place Sub-area Design Plan	30,000	2
Lagoon/Waterfront		
Park Land Acquisiton	500,000	2
Land Assembly & Site Preparation Assistance	1,500,000	1
River Access Trail	100,000	3
Main St. Reconstruction	440,000	2
Agnes Ave. Reconstruction	700,000	2
Tour Boat Dock & Marina	250,000	3
Prepare Lagoon Redevelopment Plan	30,000	1
Clackamette Park Improvements	200,000	1
End of Trail Area		
Road Improvements (Inc. R.O.W. and Acquis.)	1,250,000	2
Parking Improvements & Site Preparation	750,000	3
Abernethy Creek Improvements	250,000	3
Upgrade Fire Protection Services	375,000	3
Downtown Core		
Surface Parking	750,000	1
Facade Improvements	200,000	1&2
Streetscaping	50,000	1&2
Building Rehab Loans	300,000	2&3
Improve Willamette Falls Viewpoint	50,000	1
Improve Waterfront Promenade	200,000	3
8th Street Dock	350,000	3
McLoughlin Bluffs/Promenade Improvements	50,000	2
Do Sub-area Design Plan	30,000	1
Transportation Linkage Study	100,000	3
Washington-7th Corr.		
Parking Improvements	200,000	3
Bldg. Rehab Loans	300,000	3
Streetscape on 7th	100,000	3
Traffic Diversion - Washington St.	50,000	3
Library Restoration	300,000	3
Sub-area Design Plan	20,000	2
Heritage Center		
S. End Road Improvements (Shared Cost with County)	500,000	2
TOTAL	\$10,075,000	

OREGON CITY URBAN RENEWAL AGENCY
NOVEMBER 14, 1990

A meeting of the Oregon City Urban Renewal Agency was held on the above date in the City Commission Chambers at City Hall, 320 Warner-Milne Road, Oregon City.

Those present:

Dan Fowler, Acting Chairman
Robert Light, Secretary
Suzanne VanOrman, Board Member
Carol Powell, Board Member

John Block, Executive Director
Charles Leeson, City Manager
Irmgard Marggi, Secretary

Also present were Ken Dauble, Project Manager, for the End of the Oregon Trail, Scott Harper, Finance Officer, one member of the press, and approximately 12 interested citizens. The meeting was taped for television viewing.

In the absence of Chairman David Spear, the meeting was opened at 6:40 by Dan Fowler, who requested approval of the August 29, 1990 minutes, and the September 12 and October 10 work session minutes.

It was moved by Powell, seconded by Light, to approve the three groups of minutes.
UNANIMOUS APPROVAL

Personal Services Agreement - Ryan Communications. John Block presented Report No. 90-36 which contained the Personal Services Agreement and Scope of Work. Powell inquired if sufficient funds are available and about the life time of the contract. Block stated the \$89,000 funding will be budgeted over 2 budget years and there will be adequate revenue to meet the obligation. Focus I element and Target Industries Study should begin as soon as possible. It was explained that other entities have retained the same, or a similar marketing approach to assist their agencies; working with real estate brokers does not guarantee success. VanOrman questioned Ken Dauble, Clackamas County representative, whether the County tried to market the Red Soils property. Dauble's response was "somewhat - only a brochure was prepared".

It was moved by Powell, seconded by VanOrman, to approve the Personal Services Agreement with Ryan Communications.

Roll Call: VanOrman; Aye, Light, Aye; Powell, Aye; Fowler, Aye.

Ken Dauble, Project Manager for the End of the Oregon Trail, provided a hand out containing highlights of the End of the Oregon Trail Center Master Plan for all individuals

present. This draft master plan has been completed after 9 months of diligent work. The End of the Trail will be a valuable asset to Oregon City -the most historic site in the West. Mid-1880's landscaping is planned, and focus for business interests will be located in the Lagoon area. An estimated 400,000 visitors can be expected annually upon completion of the project. Site assembly will undoubtedly take a place over the next two years; a fund drive is anticipated after the first of the year, and it is hoped the center will be open for business in 1995. The draft plan is available for citizen critique and it is hoped there will be a community consensus prior to final adoption by the Commission. Fowler requested that the draft plan be made available for public review at the Library, and the name of a contact individual should be included for further information and any comments.

Powell wondered if the proposed locations are final and was informed they are the best available at this time. Support areas have also been identified, but are open to other recommendations. Dauble thinks the plan is evolving as work goes on and changes may be made in the form of addenda. Powell expressed concern for citizens in the area of 17th Street due to the drastic changes that will occur. VanOrman commented that much energy and expense is being expended and hopes it will not become another "Dome Foundation" effort. The project will take a tremendous amount of work and leadership, and does not wish to give up on the project.

Dauble continued with the presentation and requested that forward movement on this project be maintained. There are three elements:

1. Interpretive approach - a story line that is very powerful.
2. Physical design plan works with the site and attempts to reconcile some of the uses that have occurred in the general area, with the notion of establishing a natural visitor attraction.
3. Economic program - costs of the facility and what some of the primary impacts are with regard to the community.

Implementation of the plan is still being worked on and will be discussed tomorrow at the Steering Committee meeting, to be incorporated into the document at a later time. Dauble again requested that people read the document and provide comments. The layout of the proposed center was presented in map form. Exhibit space is planned to be 60,000 square feet; the market place is expected to generate revenue for the interpretive center, and area for fields and farm animals is to be included in the overall plan. Relocation of the Department of Transportation and Development may be necessary to make way for an encampment area; the lagoon area is expected to provide commercial services such as hotel, restaurants, etc. Funding is to be investigated through Federal Parks program, State Lottery grant, and corporate and private foundations. Local share may be a bit more precarious, but could be funded through a local bond issue for Phases 1 and 2, with the remainder to be requested from Federal sources.

Carol Suzuki, Danielson's Thriftway, expressed concern for the businesses located on Washington Street with regard to a plan that is expected to close the street to the north. Response was that focus should be on how to better access freeway and, if necessary, Washington Street could be re-routed next to the railroad tracks. Agnes Road could be considered as another access. Fowler explained that these matters are being carefully

studied and will be identified and addressed in the document with direction for resolution. Carl Buettke is the consultant on traffic for the project.

Public Hearing - Downtown Renewal Plan. Presentation was made by John Block. He talked about Discussion Draft No. 4 and some changes that were made. He then presented the proposed boundary map and the contemplated 9 projects. Four major pieces that will work together are the Lagoon, the Downtown, the Heritage Center and the End of the Oregon Trail. It will be necessary to change the Comprehensive Plan from heavy industrial, in the lagoon area, and assistance must be provided in changing land uses and zoning to entice new development. Initial investment must be made into whatever will generate revenue and expand the tax base, then that revenue can be used to further other projects. Private investment must be stimulated to provide revenue, with the number one priority remaining the downtown district for street scape and building facade improvements. Mid-term and long-term improvements are to be considered for Washington and Seventh Streets. Many sub areas were mentioned as well as a trolley for a linkage to various tourist services. The proposal is a 15-year vision with an expectation of \$4.5 million in the first 5-year period; \$2.25 million in the second 5-year period and \$2.8 million in the final 5-year period. Projects need to add value to make this a reality. Block stated this is the first formal hearing and encouraged comments from all individuals present.

The public hearing was opened at 7:50 p.m. Bill Daniels, 524 High Street, commented that his understanding was that this meeting was to be a workshop. Explanation was made that the Planning Commission will hold a public hearing on November 27; the Urban Renewal Agency will hold a workshop on November 28, at 6:30, and a public hearing on December 12, and final adoption is to be considered by the City Commission on December 19. Further comment was that as a result of Measure 5 passage, paring back of projects was suggested by the consultant and staff.

Daniels requested that comments from the Old Home Forum be included that addressed the McLoughlin Bluff landscaping; however, does not think that \$200,000 is necessary and would consider \$20,000 to \$50,000 adequate for the project. Singer Creek Falls and the entire length of the promenade to the Veterans of Foreign Wars building should be included in the project. Daniels inquired about street scaping and was informed this was part of the 1983 plan. Daniels requested that the Promenade receive priority; that street trees be considered later because newer trees do not present the ambience nor fit into the flavor of the neighborhood.

Karl Hayes, 1214 Washington Street, lives in the Babcock House, and cautioned the City to keep the historic integrity in mind with regard to downtown buildings. Traffic flow on Washington Street is also a concern; however, realizes it is difficult to move from the lower part to the upper part of the hill.

Alayne Woolsey, 818 Fourth Street, noted concerns about the integrity of the McLoughlin neighborhood - Seventh Street corridor is not reflective to zoning and wishes to look further at the proposal. She requested a truck route be established and good traffic diversion that would be routed to Main Street and off Washington Street. With regard to parking downtown and removal of buildings to provide that parking, Woolsey claims the Transportation Master Plan states surface land is available for parking and a street car;

therefore, building removal may not be necessary. Of further concern was the re-use of the Court House because she was unaware that the County is planning to relinquish the building. Woolsey also inquired about the proposal to extend the waterfront for use as a walkway. She also did not expect this to be a public hearing. Of further concern was a walkway from Eighth Street North.

Claire Met, 504 Sixth Street, commented with regard to street scaping on Seventh. According to Met, the problem with additional trees causes the area to lose its historic elements. She referenced the Facility Master Plan, noting it would have a large impact on the McLoughlin Neighborhood. A major detraction to the pleasant view from the top of the elevator are the tops of the buildings directly beneath. Someone commented these are different varieties and shapes of roofs and they are functional. Met continued that the bluff is very important to Oregon City.

Businesses state more parking is necessary in the Seventh Street corridor, according to Block. The situation is similar to downtown because there is no reinvestment occurring that is necessary to maintain an area, only continuing deterioration. Attempts to contact businesses or landlords to form an association to understand what they would like to do would help because the City can only plan what should be done.

VanOrman commented that businesses are waiting for government to begin; however incentives have not worked for downtown. She shares Block's frustration. Light stated revitalization is very necessary, but some things are happening because there was a slight investment on Seventh Street recently. Powell wondered how everyone considers the Seventh Street corridor; is it neighborhood commercial, city commercial, or is this an area for small convenience stores to serve only the immediate vicinity? Fowler commented that in the old days there were no trees in the streets. Trees should be eliminated, but benches, etc., can be viable. VanOrman inquired about parking on Seventh Street and was informed there is insufficient width because of the turn lanes that are necessary. She thought that no parking hurts businesses more than anything in this city. A comment was injected that approximately one-half (1/2) the square footage in downtown is vacant.

Woolsey inquired what happened to Oregon City Plumbing's proposal for use of their vacant lot for parking. Block responded that the Parking Advisory Group is involved but does not know what they have done with the proposal. They are to bring several proposals to the Commission in the near future. Met commented she has never had a parking problem when patronizing Seventh Street businesses during business hours and thinks this is an entirely different problem from downtown. She thinks trees may not be necessary.

Explanation was made that marketability of a district is limited when we live with what we have because that provides limited income. Met continued small types of business have been there for a long time and buildings have limited adaptive uses. VanOrman commented that is the difference between a flourishing small town and a dying one. Light noted the flourishing businesses are the ones that have provided their own parking; where there is no access to parking there is marginal business.

Bill Daniels talked about Hawthorne Boulevard as being "down and out" some time ago; however, it is presently a flourishing area and businesses seems to prefer older

buildings. He thinks good service needs to be provided, then businesses will be patronized. As an example, Mike's Drive-In provides what people want and derive their patronage in that manner, not from providing a parking lot.

A need exists to understand why businesses move to other locations; ways of defining an appropriate role for public improvements and private investment for direct assistance. Daniels thinks the End of the Oregon Trail is number one, then business will follow; phase 3 or 4 is more appropriate for Seventh Street improvement. Powell thinks plans need to be made prior to the End of the Oregon Trail completion. VanOrman tells of Hood River and how dead that town was in 1984; in the past several years a boom was realized which has now leveled out. Most of the development there occurred on the first level and was mainly due to sailboarding. Daniels talked about what The Dalles has accomplished and intends to investigate further into their accomplishments. Woolsey reminded the audience that Seventh Street was originally a residential neighborhood and not a commercial street made to accommodate heavy traffic, and thinks the older area can only become more valuable in the future. Her preference is to hold the line/keep residential preservation, and wonders why there is emphasis on Seventh Street when downtown needs assistance. She prefers less pressure on Seventh Street. Fowler suggested that Zion Lutheran Church parking lot could be used on week days.

Block commented on the excellent discussion and hopes the public will turn out for the next two meetings because Urban Renewal is a planning tool for any changes or improvements for downtown. Urban Renewal is the best tool available at this time and can be amended yearly. The Agency can provide a plain document or a broader vision by using flexibility in writing the plan. Various individuals have been referred to Block to obtain information on what is expected to happen in the near future. Fowler stated it is a dynamic plan; Light agrees, by commenting this is all vitally important.

Joe McMann, 301 Madison, is impressed with changes the City is making; however, has concerns about 99E and 2nd and why that project is being abandoned. It was explained this project is not included in the current 6-year plan of the State, but will be considered next year. It has been included in the Transportation Master Plan, therefore the City should try to get Oregon Department of Transportation to fund all of the costs. Fowler requested staff to "stay on top of the ODOT schedule". With reference to Library restoration, \$300,000 is out of the Facility Master Plan and includes restoration of the Library front and handicapped facilities, and does not include an amphitheater.

Denyse McGriff, property owner along Washington Street, talked about traffic diversion on Washington Street and would like this project given higher priority. There are concerns about traffic moving too fast and a need to change motorist's perception that people do live along neighborhood streets, and Oregon City needs to be made liveable. Block cautioned that other changes will need to be in place before Washington Street restrictions are placed. Suggestion was made that Denyse would be a good person to work on a residential parking program. VanOrman desires to discourage people from going out of town because that is just what seems to have been done of late.

Woolsey inquired if the minutes of this meeting will be available to the public. Minutes of meetings are included in packets for upcoming meetings and are available at the

front counter for public view on Friday afternoon prior to the meeting. The public hearing was closed at 8:55 by acting Chairman Fowler who thanked the members of the public for their attendance.

Legal Opinion on Urban Renewal Funding for Police and Fire Services - Report No. 90-36-A. Agreement seems to have been reached that tax increment funds can not be used for facility operations or equipment but can benefit facility construction if in the Comprehensive Plan and if it has a direct benefit on the Urban Renewal District. A Fire Station can be built with Urban Renewal funds if it will benefit the entire district. A portion of City Hall and Police Station could be built out of a portion of the Facility Plan.

Review of Measure 5 Impacts - Report No. 90-37. Various issues must be resolved, but it is generally accepted that revenues will be cut in half. A question is whether Urban Renewal tax increment revenue will compete with City government revenue. It appears that if revenues are used to pay for bonded indebtedness this may not be an issue. Ollie Norville and AORA may be able to influence the legislature to refine and minimize impacts of the measure.

There being no further business, the meeting was adjourned at 9:00 p.m.

Respectfully submitted,

Oregon City cuts list of projects in half

Commissioners, citing Measure 5, call plans too ambitious

By DAN McCUE

Correspondent, The Oregonian

OREGON CITY — The city's Urban Renewal Agency cut the list of proposed projects for the downtown urban renewal district nearly in half Wednesday.

City commissioners, who make up the agency board, cited an overly ambitious initial wish list and Ballot Measure 5.

John Block, executive director of the agency, presented a revised discussion draft to the board listing about \$10.1 million worth of projects for the downtown district, chopping about \$9 million in projects out of a preliminary list submitted last month.

The revised draft prioritizes the 30 projects on the list. The initial list contained about 60 proposed projects.

Block and the agency's advisory committee gave the highest priority to those fronting the Clackamas and Willamette rivers and those in the downtown core area.

They include spending an estimated \$2 million to acquire park property along the rivers and to encourage preparation of sites around the Clackamette Lagoon for tourist-related development, and spending another \$30,000 for a lagoon redevelopment plan.

Highest-priority projects also include an estimated \$750,000 for additional parking downtown; \$200,000 to improve downtown building facades; \$50,000 for downtown curb and sidewalk improvements, planting and street furniture; \$50,000 to improve the Willamette Falls viewpoint downtown; and \$30,000 for an overall downtown design plan.

The list also gives high priority to a \$500,000 shared-cost project with Clackamas County to improve South End Road near the new Trails' End Heritage Center museum.

The agency voted this summer to separate the downtown area and End of the Oregon Trail project area from the Hilltop urban renewal district, forming a second district.

One of the first things that must happen if the 15-year plan is to be

successful, Block said, is to rezone the lagoon area, counted on by the agency to be a center of first-rate tourist amenities such as a hotel, marina, restaurant and boat dock.

"We will not be successful getting a \$20 million hotel, restaurant and marina complex in the lagoon if there is an asphalt and concrete plant in the lagoon," he said.

It must be rezoned from heavy industrial to a tourist-commercial zone, Block said. The agency is negotiating with lagoon-area property owners to buy the land and lagoon, the only privately owned body of navigable water in the state, Block said.

The downtown design plan is crucial, he said, to determine where to build more parking.

"Parking is needed downtown," he said. "The only way to add parking down there is to remove buildings. We need to understand which buildings should be removed."

The agency is banking on private development around the Oregon City Shopping Center, the development of the End of the Oregon Trail project, and development around the lagoon to generate tax increment revenues to pay off the money borrowed to make many of the necessary public improvements.

However, passage of Ballot Measure 5, by limiting the revenues the city can take in, also limited the amount the city can borrow. That reduced the scope of some proposed projects and eliminated others.

Projects cut from the draft included improvements to Holcomb Boulevard, a dock at the end of Eighth Street, a landscaping project along the McLoughlin Bluff overlooking downtown, assistance to the city in building an amphitheater near the library, and improvements to the intersection of Second Street and McLoughlin Boulevard.

Residents testified Wednesday that landscaping along McLoughlin Bluff should be put back into the plan, perhaps at the expense of street projects like those planned downtown and along Seventh Street.

The City Commission, acting as the urban renewal agency, and the city's Planning Commission will hold several more public hearings on the downtown district plan. Hearings are set for Nov. 28, Dec. 5, Dec. 12 and Dec. 19, when the final plan is scheduled for adoption.

CITY OF OREGON CITY

Incorporated 1844

Dated

November 28, 1990

REPORT

Page 1 of 1

Subject: Red Soils Financing
Security Pacific Bank Report

Memo No. 90-07

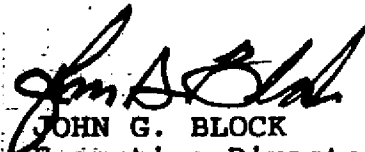
Attached for Agency review is the selection of bond counsel, preliminary terms for the bond issue, distribution list and proposed issuance schedule.

Also attached is an estimated source and use of funds chart and cash flow chart, for Agency review. Please note that this attachment illustrates a \$1.87 million bond issue instead of the \$2.45 million issue originally discussed.

The reduction in borrowing amount reflects a more conservative financial market because of Measure 5, the need for a 30% reserve fund, and the desire for a 10 year amortization term. A longer term would give the Agency more flexibility in funding its projects and will need to be further discussed.

The borrowing structure still anticipates a Series A & B issue with Series A used for the Phase 1 public improvements and Clairmont Club borrowing repayment, and Series B the acquisition of Red Soils. Because of cash flow reasons the Agency will need to either delay some of the Phase 1 improvements or delay the repayment of the Clairmont borrowing.

As I will discuss at the work session, delaying the Phase 1 public improvements may not be an option. Dan Anderson, with Security Pacific Bank, will be available to answer Agency questions.


JOHN G. BLOCK
Executive Director

JGB:im

Attach.

cc: Charles Leeson, City Manager
Scott Harper, Finance Officer
Dan Anderson, First Vice-President, Security Pacific Bank



SECURITY PACIFIC BANK OREGON

November 9, 1990

James Shannon
Rankin, Mersereau & Shannon
1600 Benj. Franklin Plaza
Portland, OR 97258

RE: Oregon City Urban Renewal Agency - Hilltop Redevelopment Area Financing

Dear Jim:

Agency staff informed me this afternoon that they would like your firm to serve as Bond Counsel for the forthcoming Hilltop Redevelopment Area Financing which we discussed in recent weeks.

To assist you in this process I enclose a Terms Summary, a Distribution List and Schedule for the transaction as of this date. Note that the financing requires that one of the two series of bonds be issued as a qualified redevelopment bond which will require a private activity allocation from the State. I have informed the Agency that there exists significant uncertainty that such an allocation will be forthcoming. This notwithstanding, could you please initiate the PAB allocation request process at your earliest convenience, seeking an allocation of \$900,000 only. (This figure represents \$800,000, plus a reserve not to exceed \$80,000 plus 2% allocated issuance expenses.)

I am also enclosing a form of bond resolution from a second (unrelated) urban renewal financing. Please use this form as a point of departure for this project. It will need to be modified to provide for two series of bonds and to provide a mechanism for escrowing a portion of the two issue's proceeds.

Please call if you have any questions regarding this letter or any of the enclosures. I look forward to working with you on this transaction.

Sincerely,

Daniel Anderson
First Vice President



SECURITY PACIFIC BANK OREGON

Oregon City Urban Renewal Agency
approximately \$2,450,000 Hilltop Urban Renewal Bonds, Series A&B

PRELIMINARY TERMS SUMMARY as of November 9, 1990

Par: Total of \$2.45 million plus funding of issuance expenses and a debt service reserve. The Bonds will be issued as two series of bonds. Series A is \$1.65 million governmental purpose bonds and Series B is \$800 thousand qualified redevelopment bonds. All terms in this Summary for Series A and B identical except as noted.

Dated: December 1, 1990

Delivered: On or before December 31, 1990

Due: July 1, 2001 (single term bond per series)

Interest Payable: January 1 and July 1, commencing July 1, 1991

Interest Rates: to be determined

Security: First lien and pledge of tax increment revenues from Hilltop Urban Renewal Area; balances in Reserved Construction Accounts; and interest in all funds and accounts; funded debt service reserve.

Funds & Accounts: A Tax Increment Fund divided (in priority order) into a Bond Account; a Reserve Account; a Contingent Redemption Account, and; a General Account.

Series A and B Projects Funds, each divided into an Available Construction Account; a Reserved Construction Account, and; a Cost of Issue Account.

A General Fund.

Mandatory Redemption: The Bonds include a mandatory Contingent Redemption feature. This feature requires annual partial redemptions at par on July 1st from tax increment receipts in excess of current interest requirements to a predefined maximum annual debt service expenditure amount.

Mandatory redemption on third anniversary of issuance date but solely from and to the extent that funds remain unexpended in the Reserved Construction Accounts.

Oregon City Urban Renewal Agency
\$2,450,000 Hilltop Urban Renewal Bonds, Series A&B
Preliminary Terms as of November 9, 1990

Optional Redemption: In whole or in part on any interest date at par.

Escrowed Proceeds: A portion of the proceeds of one or both series of Bonds will be deposited in a Reserved Construction Account ("RCA"). On or prior to the third anniversary of the Bonds' date of issue, the Agency may transfer funds from the RCA to the Available Construction Account for expenditure but only if it first receives the certificate of an independent expert having a favorable reputation for accuracy and reliability to the effect that Tax Increment Revenues exceed scheduled debt service requirements (including Contingent Redemption amounts) by not less than 30% of the scheduled requirements. Funds on deposit in the RCA need not be included in this certificate process.

Required Reserve: One year's interest reckoned at original principal amount of Bonds.

Parity Debt: Permitted. Requires full funding of parity debt Required Reserve level on or prior to closing and Agency receipt of the certificate of an independent expert having a favorable reputation for accuracy and reliability to the effect that Tax Increment Revenues exceed scheduled debt service requirements (including Contingent Redemption amounts) by not less than 30% of the scheduled requirements, assuming the proposed Parity Debt is outstanding. Funds on deposit in the RCA need not be included in this certificate process.

Subordinate Debt: Permitted. Payable only from Bond Fund General Account.

Tax Status

	Series A -----	Series B -----
Federally Exempt?	Yes	Yes
AMT Subject?	No	Yes
Bank Qualified?	Yes	No
Oregon Exempt?	Yes	Yes

11/9/90



SECURITY PACIFIC BANK OREGON

Oregon City Urban Renewal Agency
approximately \$2,450,000
Urban Renewal Bonds, Series 1990 A & B

DISTRIBUTION LIST

John G. Block
Oregon City Urban Renewal Agency
320 Warner Milne Rd.
Oregon City, OR 97045
TEL: 657-0891
FAX: 655-0530

Charles Leeson, City Manager
City of Oregon City
320 Warner Milne Rd.
Oregon City, OR 97045
TEL: 657-0891
FAX: 655-0530

J. Scott Harper, Finance Officer
City of Oregon City
320 Warner Milne Rd.
Oregon City, OR 97045
TEL: 657-0891
FAX: 655-0530

James Shannon
Rankin, Mersereau & Shannon
1600 Benj. Franklin Plaza
Portland, OR 97258
TEL 226-6400
FAX 226-0383

Daniel Anderson
Security Pacific Bank Oregon
Public Finance Department
P.O. Box 2715 - ZIP = 97208
1001 SW 6th / 2nd Floor
Portland, OR 97204
TEL 796-2655
FAX 222-7761

Joan Autio
Security Pacific Bank Oregon
Corporate Trust Dept
P.O. Box 2808 - ZIP = 97208
1001 SW 5th / 4th Floor
Portland, OR 97204
TEL 222-7635

Ed Sullivan
Preston Thorgrimson Shidler Gates & Ellis
3200 US Bancorp Tower
111 SW Fifth Ave
Portland, OR 97204
TEL 228-3200
FAX 248-9805

11/9/90



SECURITY PACIFIC BANK OREGON

Oregon City Urban Renewal Agency
\$2,450,000 Hilltop Urban Renewal Bonds, Series A&B

Proposed Schedule as of November 9, 1990

Week of Nov 12	City Staff & Security Pacific refine sizing, structure of the bonds. Private activity allocation process for Series B Bonds commenced under direction of Bond Counsel.
Week of Nov 19	Bond counsel drafts bond resolution & circulates. Security Pacific drafts preliminary official statement and circulates.
Week of Nov 26	All hands meeting to review resolution, disclosure documents.
November 28	Resolutions to City, Agency for meeting packets
Early December	Documents refined as required;
December 5	Agency Board, City Council adopt resolutions as required.
Mid December	Private Activity Committee provides allocation for Series B Bonds.
Late December	Presentation to local dealer community; Bonds priced; purchase contract executed. Financing closed; funds to Agency.
July 1, 1991	First interest payment due

City of Oregon City Urban Renewal Agency
Hilltop Redevelopment Area
Urban Renewal Bonds, Series 1990 A&B
Estimated Sources and Uses of Funds

	Series A	Series B	Total
Sources of Funds			
Bonds, par	\$975,000	\$800,000	\$1,775,000
Underwriter's Discount	(19,500)	(16,000)	(35,500)
FY 91 Tax Increment Receipts	75,638	62,062	137,700
Net Sources of Funds	\$1,031,138	\$846,062	\$1,877,200
 Uses of Funds			
Governmental Purpose Projects	\$550,000	\$0	\$550,000
Land Acquisition	0	740,000	740,000
Clairmont Repayment Escrow	350,000	0	350,000
Debt Service Reserve	70,688	58,000	128,688
Issuance Expenses	11,425	9,375	20,800
July 1 Interest Payment	35,344	29,000	64,344
Contingency	13,681	9,687	23,369
Total Uses of Funds	\$1,031,138	\$846,062	\$1,877,200
 Issuance Expense Detail			
Bond Counsel	\$7,141	\$5,859	\$13,000
Disclosure	1,648	1,352	3,000
Printing	1,099	901	2,000
Escrow Agent / Registrar	824	676	1,500
CUSIP	55	45	100
Courier	110	90	200
Composite Misc.	549	451	1,000
	\$11,425	\$9,375	\$20,800

Security Pacific Public Finance
19-Nov-90
06:39 PM

OREGON CITY URBAN RENEWAL AGENCY - URBAN RENEWAL BONDS, SERIES 1990
Case: 30% Value Decline Commencing FY 92; FY 91 Projects Only; 10 Yr Term

19-Nov-90
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FY End June 30		1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Prior Increment		0	6,429	13,929	13,929	13,929	13,929	13,929	13,929	13,929	13,929	13,929
New Increment		4,500	7,500	0	0	0	0	0	0	0	0	0
Tot Incr w/ Decline to	70%	4,500	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750
Rate \$/1,000 inside limit		32.20	25.00	22.50	20.00	17.50	15.00	15.00	15.00	15.00	15.00	15.00
outside limit		1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80
TI Receipts @	90%	137,700	235,170	213,233	191,295	169,358	147,420	147,420	147,420	147,420	147,420	147,420
Prior Year's		0	4,131	20,268	22,055	19,861	17,667	15,473	14,742	14,742	14,742	14,742
Total TI Receipts		137,700	239,301	233,501	213,350	189,218	165,087	162,893	162,162	162,162	162,162	162,162

RESOURCES & REQUIREMENTS

Unrestricted Beg Bal		0	24,169	0	0	0	0	0	(0)	(0)	(0)	0
DSR		0	128,688	128,688	103,313	103,313	103,313	103,313	103,313	103,313	103,313	103,313
Escrowed Proceeds		0	350,000	350,000	0	0	0	0	0	0	0	0
TI Receipts		137,700	239,301	233,501	213,350	189,218	165,087	162,893	162,162	162,162	162,162	162,162
Bonds Par		1,775,000	0	0	0	0	0	0	0	0	0	0
Loan Proceeds		0	0	0	0	0	0	0	0	0	0	0
Int Earnings @	7.50%	0	35,902	33,998	7,748	7,748	7,748	7,748	7,748	7,748	7,748	2,847
Total Resources		1,912,700	778,059	746,186	324,410	300,279	276,148	273,954	273,223	273,223	273,223	268,322

Series A Projects		550,000	0	0	0	0	0	0	0	0	0	0
Series B Projects		740,000	0	0	0	0	0	0	0	0	0	0
Escrowed Proceeds		350,000	350,000	0	0	0	0	0	0	0	0	0
Cost of Bond Issue		55,500	0	0	0	0	0	0	0	0	0	0
Agency Admin		0	0	0	0	0	0	0	0	0	0	0
DSR		128,688	128,688	103,313	103,313	103,313	103,313	103,313	103,313	103,313	103,313	0
Bond Interest @	7.25%	64,344	128,688	116,313	78,137	67,773	58,406	50,110	41,371	32,052	22,058	11,338
Bond Principal		0	170,684	526,561	142,961	129,194	114,429	120,532	128,539	137,858	147,853	156,389
Unrestricted End Balance		24,169	0	0	0	0	0	(0)	(0)	(0)	0	100,595
Total Requirements		1,912,700	778,059	746,186	324,410	300,279	276,148	273,954	273,223	273,223	273,223	268,322

Coverage = (TI + Int Earn) / (Int Due)	2.14	2.14	2.30	2.83	2.91	2.96	3.41	4.11	5.30	7.70	14.55	
Memo: Period End Bond Debt Balance												0

AMORTIZATION SOURCES SUMMARY

Beginning Bond Bal	1,775,000
Amo from Escrow	(375,375)
Amo from Pledged Resources	(1,396,923)
Ending Bond Balance to Refl	0

resreq5

Council

OREGON CITY URBAN RENEWAL AGENCY

There will be a meeting of the Oregon City Urban Renewal Agency on Wednesday, November 14, 1990 at 6:30 p.m. in the Commission Chambers, City Hall, 320 Warner-Milne Road, Oregon City, Oregon.

A G E N D A

1. Approval of August 29, 1990 minutes;
September 12 and October 10, 1990 work session minutes
2. Personal Services Agreement - Ryan Communications
3. End of the Oregon Trail Master Plan - Presentation by Ken Dauble, Project Manager. - 6:30 to 7:00 p.m.
4. Public Hearing - Downtown Renewal Plan Development Strategy and Project Activity Review.
5. Legal Opinion on Urban Renewal Funding for Police and Fire Services.
6. Review of Measure 5 Impacts - Report to Association of Oregon Redevelopment Agencies.

OREGON CITY URBAN RENEWAL AGENCY
AUGUST 29, 1990

A meeting of the Oregon City Urban Renewal Agency was held on the above date in the City Commission Chambers at City Hall, 320 Warner-Milne Road, Oregon City.

Those present:

David Spear, Chairman
Robert Light, Secretary
Dan Fowler, Board Member
Suzanne VanOrman, Board Member
Carol Powell, Board Member

John Block, Executive Director
Charles Leeson, Interim City Manager
Irmgard Marggi, Secretary

Also present was one member of the press and approximately 20 interested individuals.

The meeting was called to order at 7:05 by Chairman Spear, who requested approval of the August 8 minutes. It was moved by Light, seconded by Fowler, to approve the August 8, 1990 minutes.

Roll Call: Powell, abstain; Fowler, Aye; Light, Aye; VanOrman, Aye; Spear, Aye.

Report No. 90-27 - Red Soils Subdivision Status Report - was presented by John Block. He reported the Planning Commission recommended approval of the subdivision with conditions that were anticipated and are acceptable to the applicants.

Report No. 90-28 - Red Soils Purchase and Sale Agreement - The final version is being presented to the Agency. The Chairman asked who was involved in the final draft. Block responded that Scott Parker, Clackamas County Legal Counsel and Steve Salvey, Facilities Manager for Clackamas County, prepared the first draft; with some assistance from Gary Spanovich and Tom Vanderzanden of the Clackamas County Department of Transportation and Development. Randy Bateman, from the City Attorney's office, and staff prepared additional drafts of the agreement. It was noted that Dan Fowler and Ed Lindquist were present at some of the negotiations. Block commented there are three parts to the agreement:

1. The initial acquisition of approximately 14.78 acres;
2. An option for the Agency to acquire an additional approximately 15.38 acres;
3. The additional 15.38 acres will be executed following exercise of that option.

On discussion, Powell was concerned about the access road and Beaver Creek Road alignment wondering if this was deleted. It was stated this has been deleted; however, it will appear in a separate agreement. Powell had various concerns and during discussion it was stated the County had provided a high commitment to seek federal and state funding

from which the Urban Renewal Agency will benefit greatly. VanOrman stated that she was not advised on some of the negotiations being held; noting only one Commissioner was present, and having to read the information in the newspaper. She feels more communication is needed from the organization, rather than reading it in the newspaper.

Block responded that the negotiations were very involved, complex, difficult and frustrating - nothing was easy, and believes the Commission has been briefed as much as possible. Fowler responded by stating Block represented the City very well. In terms of Beavercreek Road, the City got everything they wanted. It was his understanding, through his invitation from the County, that he was in a "balancing" position. Powell appreciates what has been accomplished thus far.

On the issue of Beavercreek Road, a separate document will be better and easier to track. Clackamas County will provide staff to apply for a lottery grant. County has also agreed to make this a priority project. Chairman Spear commented there is a need to improve communications.

It was moved by Fowler, seconded by Powell, to approve the Purchase and Sale Agreement with Clackamas County involving the Red Soils Project.

On discussion the Agency was informed that Robert Randall Company is dedicating right-of-way at no cost. Sierra Vista and Danielson's will also be asked for dedication of right-of-way. If they do not wish to dedicate, then the property must be obtained by other means. Powell commented Randall benefitted greatly from donating the right-of-way. It was suggested this type of discussion should be withheld for an executive session.

Roll call: VanOrman, Aye; Light, Aye; Fowler, Aye; Powell, Abstain, Spear, Aye.

Report No. 90-29 - Red Soils Access Road Preliminary Engineering Status - Block presented information from maps on the wall, some of which had been provided by Lee Engineering. Block explained the subdivision is for the easterly 30 acres of the County property showing 9 parcels. Explanation of the access road and proposed driveways provided considerable discussion. It was noted the access road improvement is approximately \$250,000 over the budgeted amount and does not include right-of-way acquisition. Additional money would need to be borrowed to complete the access road. Considerable discussion ensued concerning the amount of lanes, driveways, curbs and sidewalks. After further discussion, it was agreed that engineering for the entire project be approved at this time, rather than in phases because it would probably be less costly to complete at this time. Carol Suzuki requested copies of the preliminary engineering. Spear indicated his desire to get this finalized "the sooner the better" and it is commendable that this point has been reached. VanOrman inquired if it will be less costly to do the engineering in full rather than in stages. The response was in the affirmative.

It was moved by VanOrman, seconded by Light, to authorize the final engineering.

Roll call: Powell, Aye; Fowler, Aye; Light, Aye; VanOrman, Aye; Spear, Aye.

Report No. 90-30 - Randall Business Park Status Report - Report was made that Wilson Choy, Project Manager for the Robert Randall Company, has indicated lenders are more conservative at this time than earlier this year. The Randall Company now plans to

begin the project next spring when their Tualatin project is expected to be completed.

Report No. 90-31 - Department of Revenue Opinion - The Department of Revenue has indicated that the Urban Renewal Agency can do what is desired, but it is up to the Clackamas County Assessor to do it. Ray Erland has been helpful thus far, as well as Ollie Norville. Mr. Norville is to meet with John Block tomorrow; then with Mr. Erland, thereby providing a resolution by Friday, August 31. The Department of Justice and Revenue have provided their o.k. Erland has agreed to do it, but must be done by September 7. If adopted, the Plan Amendment will be hand delivered to the Assessor's office tomorrow.

Block requested direction from the Agency on preparing to market Red Soils property. Ryan Communications has requested to do a target industry study that would be very helpful. Another firm, "Image" that has worked for state tourism, is available to develop a marketing brochure. No cost estimate has been provided by either firm. VanOrman wondered if there is a line item for this type of expenditure. There is a line item for these expenditures; however, there may be a problem of available funds.

Comment was made that two of the firms previously interested in Red Soils property have disappeared. The third firm will be contacted soon, and new contacts will be made with regard to earlier inquiries. Wes Wood, a local contractor, has indicated he has information on a very interested client and will be contacted.

It was moved by VanOrman, seconded by Fowler, that John Block be directed to gather information relative to marketing Red Soils.

Roll call: VanOrman, Aye; Light, Aye; Fowler, Aye; Powell, Aye; Spear, Aye.

There being no further business, the meeting was adjourned at 8:10 p.m.

Respectfully submitted,

ROBERT M. LIGHT
Secretary

OREGON CITY URBAN RENEWAL AGENCY

WORK SESSION

September 12, 1990

Those present: Dan Fowler, Board Member
 Robert Light, Secretary
 Carol Powell, Board Member
 Suzanne VanOrman, Board Member
 John Block, Executive Director
 Charles Leeson, City Manager

Board Member Dan Fowler convened the executive session of the Oregon City Urban Renewal Agency pursuant to ORS 192.666. Executive Director John Block presented several items for consideration. He talked about receiving a letter from Ray Erland that provides information that the Agency will receive the tax increment monies that were previously in question. Comment was made that it appeared the Assessor's Office was not ecstatic about the decision; however, that office is under a tremendous amount of pressure and it was the consensus of the Agency that the right decision had been made. Upon receipt of the funds, the amount will be reflected in the Agency's budget thereby enabling projects to go forward.

Block summarized the Agency's efforts with regard to the Hilltop area. Block will attend the Board of County Commissioner's meeting in the morning and will compliment them on the "official" signing. Red Soils Access Road project will be proceeding; right-of-way dedication documents have been mailed out to all owners involved - Bedford Properties, Stein Oil, Sierra Vista, Danielson's and Randall. All have been requested to donate property because of their potential benefit from the road. Should any owner be unwilling to donate property, then the Agency must go through public acquisition; appraisal, appraisal reviews, and a dollar amount offer to purchase the necessary property. Should there be any refusal, then there remains the process of condemnation proceedings and a court established value. Block doesn't feel the owners will go the condemnation route because it is far too important a project and the owners are aware of this fact. The owners seem to be politically motivated to work with the Agency. However, if they do wish to be compensated, the Agency has the opportunity to measure the benefit of the road to their particular property. Danielson's will benefit from many road improvements, driveway approaches on the new road, drainage improvements and a new signalized intersection to be located between Key Bank and McDonald's. Some discussion ensued on the intersections leading into Danielson's Center.

Left-turn stacking has become an issue, and will undoubtedly require a six-lane roadway between Warner-Milne and Beavercreek Road. The extra lane is planned to be constructed on Wendy's side of Molalla Avenue. Much effort has been expended on the Hilltop area.

Focus turned to the new downtown plan. Block presented maps showing the proposed areas to be considered, as well as the 1983 boundary for downtown. Plans are to consider the lagoon area, Oregon City Shopping Center, Park Place interchange, and the End of the Oregon Trail. Block asked if the Agency would consider a Washington Street and 7th Street corridor for inclusion into the plan. One response was: Politically, no; aesthetically, yes. Block commented commercial rehabilitation along the 7th Street corridor could only be a win/win situation. Comment was made that if the Agency doesn't do anything there, nothing will happen because it has been this way for 20 years. Another concern voiced was that the various historical societies might be able to tap into tax increment funds for their needs if a two-block width is considered for the 7th Street corridor. It was noted that project lists, for both corridors, will be the determining factor for community support. It was suggested the Old Home Forum be involved in the project selection. Block further suggested that the Canemah area be included, as well as the High Street area. South End Road is in need of improvement. Clackamas County does not intend to improve this road even though they have been requested to do so for at least 2 years. If the Agency would improve South End Road and complete the Warner-Parrott realignment project, traffic could be diverted off 5th Street and Linn Avenue. Comment was made that involvement of the community in the various projects is a wise move.

Discussion ensued on the formation of L.I.D. projects in some of the project areas, and it was commented that URA funds might be a leverage, in the form of match funding, to initiate such improvement districts.

Park Place interchange needs re-development. On the original plan one of the proposed sites for County offices is located in the north; and also included is the lagoon, water front, Oregon City Shopping Center expansion and End of the Trail. Many of the 1983 projects will remain in place because they are good projects. McLoughlin - Second Street intersection and installation of signals could be an additional project improving the South End Road connection. In total, 10 projects were identified. The next steps in the process are to refine the boundaries; identify projects in priority order; preparation of a cash flow analysis, presentation to the Advisory and Enhancement Committees, and finally presentation to the special interest groups. All available information to be presented to the Agency, in the form of a draft, probably by the end of October or early of November. An ordinance needs to be adopted prior to January 1, 1991. There is a need to communicate that the "rush is on" in order for tax benefits to be received. There is a definite need for community involvement, yet the Agency does not want to project an image of being too hasty. Approximately 800 acres are to be included in the downtown area. By adding the 180+ acres from the Hilltop, a total of approximately 18% of the land area in Oregon City would be designated urban renewal. The allowable area for urban renewal is 25%. Discussion ensued on possibilities. It was agreed that the area is due for renewal by age alone.

It was noted that Beavercreek Road realignment will be a time-consuming project and an effort will be made to procure lottery funds. County has agreed to assist in obtaining such funding.

Sewer Treatment Plant Negotiation Status - Moore Interest Inc., has indicated they are too busy to undertake the project. Howard Moore, along with 2 partners, developed Kruse Way in Lake Oswego. A broker commented there may have been concerns about the price of the property as well as the ability to build a restaurant on the property. In talking with Moore, Block was had the feeling that Moore perceived the project to be an exciting one, but did not have time to do it. Trammel-Crow appears to be interested; however, they are still dealing on the shopping center. If they should purchase the shopping center, they intend to upscale and add to the center. Hotel developer (Quality Inn) is still interested in 2 acres; their broker is to present an offer soon. Financing for hotels seems to be a problem at this time. Bids for demolition of the plant will be opened on September 18 and should be awarded shortly after opening. The Penrod property is in the process of being cleaned up to provide a better view of the river. Other improvements to the area include grading and filling; the State is building a new bridge; Park and Ride is to be improved; and the fire training tower is to be removed. It was noted there is a need to be prudent concerning the amount of land that may be given up in terms of hotel/restaurant needs; that Tri-Met should not come first. Another concern is that Park and Ride may make the property more difficult to sell.

Urban Renewal gave direction to proceed on discussions with Dakota Minerals some time ago. Two letters of intent were submitted to the Bankruptcy Court in Wyoming. The Bankruptcy Court and the attorneys in Portland could never get a good response to us. Granted, not much money, (subject to Urban Renewal Agency approval), was offered. They have gone through at least two brokers that legitimately had listing agreements on the property, as well as two that didn't. Four different realtors have discussed the property; one came wanting to do a deal; however, upon contacting the Portland attorney the information was that the Bankruptcy Court had just revoked their listing. Block has been disappointed with the real estate brokers. The latest broker involved is Mike Ragsdale. One of the dilemmas of the Bankruptcy Court is there are existing leases; they have a 50% other interested party; and they don't know whether to split up and sell in pieces. Our latest offer was to buy the westerly part and Clackamas River frontage, containing approximately 15 acres. They have stated they would be willing to sell for \$1.3 million dollars, or approximately \$1.71 per square foot. Considerable discussion ensued with reference to the flood plain. Block commented this is a unique opportunity because it is a privately owned area. A marina and floating restaurant could be developed; however there is need to establish an irrevocable right to the water way.

A proposed plan could be that at the time the treatment plant property is sold, a deal could be closed on the Dakota Minerals property. All property could initially be bought as park use; then a portion could be sold for marina/hotel/restaurants; applying those proceeds toward further improvements. This could take at least 6 months to accomplish. Mike Ragsdale's only concern is that Mr. Abel is very ill and would like to settle his estate before he dies. An earlier close, than the anticipated 6 months time period, may be expected by the seller. The Assessor's office has placed a valuation of \$1 million on the entire lagoon area. This item will come up for City Commission discussion next Wednesday. Considerable discussion ensued on use and access for the property. It was noted that control of the land is necessary, but it will be a long-term project, and by purchasing now, before redevelopment occurs, the cost will not be prohibitive.

Request is for the Agency to provide authorization to offer the Bankruptcy Court \$1.3 Million for 15 acres, contingent upon the sale of the old Sewer Treatment Plant property, and to seek as much time as possible for closure. If the lagoon develops, or the Shopping Center is expanded, the Agency will realize considerable funds. Realization of such funds will enable the Urban Renewal Agency to become a "player".

When selling the idea to dispose of the Sewer Treatment Plant property to the public, the Commission promised that the Penrod property would be dedicated as park property. This has been done. Another promise was to expand Clackamette Park; acquisition of the 15 acres would aid in the park expansion. Comment was made that if not all promises are kept within the first year of acquiring the Dakota property, something should be done to show good faith. To get an idea, there is a million one here, 700 Park, 400 City. This is a million three, maybe we put 500 thousand or whatever it is for park aside; keep 200 thousand out to redo Clackamette Park and the other waterfront. The other 400 thousand then let URA borrow against that 400 thousand from City funds to be paid back from proceeds; then borrow whatever additional 100 thousand, or so.

Question was raised whether there is any update on the James River strip? It was reported that property is not highly valued. Multnomah County and West Linn have recently received portions of property from James River. Concern was expressed regarding the current fill permit. This will need to be researched with the Division of State Lands. It is already established that there has been filling and Block's suggestion of continuing the filling makes a lot of sense to the board members.

General direction was given to proceed, and return with a proposal at a public meeting. It was agreed that a proposal can be made prior to signing a sale agreement with input on conditions that the Agency desires to include.

Some discussion ensued on the new criteria for Wetlands according to the State. These are believed to be:

1. Vegetation,
2. Standing water,
3. Presence of wild life.

Is there any possibility of the City of Gladstone relinquishing their water tower across the river? No further comment has been received from Gladstone on a letter requesting the clean up of the property, or donation to Oregon City. Their Council met in August, but Block is not sure of the total direction that was given. He thinks instructions were given to obtain costs on demolition. Other sources indicate there are individuals interested in leasing that site. Gladstone may have some value invested in that particular property. Oregon City sold the property to Gladstone during the 1950's.

Discussion centered on Lone Star, who has consolidated all their business to the Oregon City location. At one time Lone Star barged in aggregates; presently this material is being trucked in, and by August 1992 they intend to move the asphalt plant to this location. Lone Star will be "grandfathered" into this site.

Further comments were "there needs to be borrowing in the beginning, but eventually there will be 'tons of money'"; and "this is exciting".

Block was thanked for his presentation and requested to provide a developer for the Lagoon before end of the meeting,

Respectfully submitted,

OREGON CITY URBAN RENEWAL AGENCY

October 10, 1990

A meeting of the Oregon City Urban Renewal Agency was scheduled for the above date at 6:30 p.m., in the City Commission Chambers at City Hall.

Those present: Robert Light, Secretary
 Carol Powell
 John Block, Executive Director
 Irmgard Marggi
 1 member of the Press

Because there was not a quorum present, the meeting was opened at 6:45 p.m. and considered to be a workshop.

C. Southwick, Ryan Communications, and Thomas W. Shannon, Image Analysis gave a presentation. Mr. Shannon provided information that Image Analysis is an agency that would determine the "pros" and "cons" of a property in order to sort out prospects, do follow-up, and contact prospective buyers. In addition, they determine the closeness of the match of what their Agency feels are good businesses to attract. It would be an ongoing project to establish a generic list that will eventually develop into more refined lists. There are no guarantees that a business will be attracted; however, they do provide a target at which to aim. Image Analysis would attempt to give Red Soils its own unique "face", and try to determine what type of marketing is needed.

Ryan Communications has worked in marketing for some time and have concrete programs that have worked. They are the agency of record and have done marketing for the Willamette Falls Hospital (Birthing Center). Some of their functions are to provide public relations publicity opportunities, and to give press releases to geographic areas. They also do "market softening", and plan to make announcements prior to final project completion that a project exists. Direct mailing and follow-up, brochures, and sales support are also a part of the service. Ryan Communications would provide small support advertisements to create curiosity; through this means the name would be "out there". This is not a short-term project and will need a one-year time frame implement.

Powers suggested re-naming the project because of negative connotations. Mr. Shannon expressed his thoughts that it is a very interesting name from a marketing standpoint. If, in the future, it is found the name "Red Soils" is negative, recommendations for a name change would be presented. Light commented this is commendable that we are going this direction. Block responded that whatever we do, with marketing Red Soils, that we do it right. The Agency needs a success for Red Soils. This is a must if direct sales are to be realized because working with brokers is limiting and expensive. If a contract is negotiated with Image and Ryan it would cost in the vicinity of \$89,000, with the cost to be divided over two years. Brokers fees are 10% on vacant land.

Powers requested the strategy for budget purposes when formal presentation is made in November. Block stated it may be necessary to prepare a supplemental budget. Light requested Block pursue Ryan Communications for marketing. It was reported Ryan Communications is one of the top firms in the Northwest. They will also benefit the Urban Renewal Agency because they are familiar with the community. The representatives of both Ryan and Image were heartily thanked for their fine presentation.

Staffing Report - Due to the increased work load for the Urban Renewal Agency, Block requested assistance from the Associate Planner on a half-time basis at a cost of \$14,214 per year. The Planning Department would realize the savings and be able to hire a part-time Planner. Block will work with the City Manager and City Commission on this matter. There will be sufficient funds for this request.

Tax Certification Report - The Assessor's office worked diligently on this project. This effort will provide approximately \$155,000 to the Agency in November.

Red Soils Financing - Proposals have been received from Seattle Northwest and Security Pacific. Seattle Northwest is presently arranging L.I.D. financing for the City.

The Agency had \$45,000 to begin the year, and is expected to receive \$155,000 in tax receipts. Anticipated expenditures for the budget year are as follows:

- 7,600.00 salary for the Executive Director
- 14,200.00 1/2 salary for Associate Planner
- 40,000.00 Image Analysis
- 10,000.00 Materials & Services
- 70,000.00 Lee Engineering (Construction Financing) *
- 740,000.00 Red Soils Acquisition *
- 550,000.00 Access Road Construction *
- 300,000.00 Clairmont Club Purchase Repayment *

* These items will be part of the borrowing process.

Security Pacific can do short-term internal borrowing and would provide \$740,000 for Red Soils acquisition now, and \$550,000 for the road project in the future. The loan would be secured on the property. This arrangement appears to be very conservative; however, the Agency will still be o.k. if "pops" passes in November. They will waive the loan fee if a first right is given on future borrowing.

The second proposal would be a tax free qualified bond sale. Seattle Northwest is a broker that packages bond sales to private investors. They recommend a \$2 million bond issue for 10 years at 7.5% fixed rate at a cost of \$206,000 per year in debt service. A bond issue would be cleaner than a short-term borrowing, but it would have bond costs. The tax increment revenue would pay the debt service cost. Any debt service would be paid before any other funds are spent by the Agency. Block is leaning toward a bond issue and will contact the other financial institution for a complete proposal. Powell is more comfortable with committing to a fixed interest rate.

Access Road - Danielson's are willing to dedicate the right-of-way, but they want benefits too. Randall has committed, and the County will assist in seeking lottery funds. Right-of-way dedications are still needed from Sierra Vista, Stein Oil, and Bedford properties. If the dedications have not been received before the November meeting, then public acquisition should be started. A problem with Sierra Vista is that they do not get much benefit. Suggestion was made that noise buffers could be constructed for Sierra Vista. Block said it was a good idea and would keep that in mind during negotiations.

Downtown Plan - The proposed plan has been presented to the Downtown Association, Enhancement Committee, Urban Renewal Advisory Board and the City's Department Directors. Presentations still to be made are to the Old Home Forum, O.C. 2000, Oregon City School Board, and as many civic clubs as can be arranged. The need is to establish a boundary and direction on projects. A draft plan will be available by mid-November; it needs to be approved at the November 28 Planning Commission public hearing, then a special City Commission meeting is to be held on November 29th for adoption. Televising of meetings should be helpful in obtaining citizen participation, and media participation would be appreciated.

The scheduled executive session was cancelled.

The Agency was advised of Peter Schnell's resignation from the Urban Renewal Advisory Board. A letter of appreciation will be mailed to Pete. Of the three applications on file for a position on the Advisory Board, one application was attached to the report. Powell commented that the vacant position should be advertised.

There being no further business, Powell called the meeting to a close at 7:55 p.m.

Respectfully submitted,

ROBERT M. LIGHT
Secretary

OC's URA workshop is planned

By Michael Dale
News Editor for The Review

OREGON CITY — Residents here will have the opportunity to give comments on a \$19 million urban renewal wish list at a public workshop scheduled for Wednesday, Nov. 14.

The meeting will be at 6:30 p.m. at City Hall, 320 Warner Milne Road.

The project list was presented to the city's Urban Renewal Agency board of directors by agency director John Block at a recent meeting. The agency board is composed of all five city commissioners.

The list includes three dozen potential renewal projects in seven areas: Park Place, Clackamette Lagoon, the waterfront, the Oregon City Shopping Center area, the End of the Oregon Trail Showcase area, the north end of downtown, the core area of downtown, the Washington-Seventh streets corridor, and the area surrounding the Trails' End Heritage Center of the Clackamas County Historical Society.

Project ideas range from acquiring the Clackamas County Courthouse for \$2 million to creating, for \$30,000, a plan for the development of the lagoon.

The seven areas listed are components of a planned north end-downtown renewal district. The area now has an assessed value of \$40 million. If all the potential improvements were made, and corresponding private development occurred, the assessed value in the district would more than double to \$89 million, Block told the board.

Block introduced the list by stating that the its purpose was to start setting priorities about how much public investment should be made in the area.

Commissioners Carol Powell and Bob Light both expressed concerns about the tax revenue consequences of having two large renewal districts in the city at the same time.

In renewal districts, assessed values are frozen at the time the district is formed. Consequent increases above the freeze level

generate tax revenues for the district and not other agencies, such as the city or schools. After a fixed period, the renewal district is dissolved and those agencies then receive the benefit of any increase in assessed value.

Police Chief Richard Martin noted that the proposed renewal areas would, when developed, generate increased public safety needs but not, initially, provide any funding to meet those needs.

"It could well be that this list is too much," responded Block to the commissioners and chief. "Maybe we start with a smaller investment of \$10 million rather than \$18 million. . . it will come down to what you and the community are comfortable with."

The group decided that each board member would rank the potential projects according to importance, and those results would be compiled and then reviewed by the board.

The city renewal agency is currently developing several projects at its existing renewal district in the Hilltop neighborhood.

Phillips Apparel closes shop in Oregon City

Another shop bites the dust

By Michael Dale
News Editor for The Review

OREGON CITY — Main Street and downtown will lose yet another retail business at the end of this year. Geoffrey Salberg, owner of Phillip's Ladies Apparel store, announced last week that he will be closing the business in about two months.

He started his going-out-of-business sale Tuesday. "We will have to stay open through the holidays," Salberg said. "We have merchandise on order for then that we can't cancel, so I expect we will close the doors right after the holidays."

The business has been on Main Street in downtown for 40 years, and it has been at its present location, the southeast corner of the intersection of Main and Seventh, since 1968.

The business was founded by Geoffrey's father, Philip. (The senior Salberg's first name is spelled with one "l"; the store name is spelled with two.)

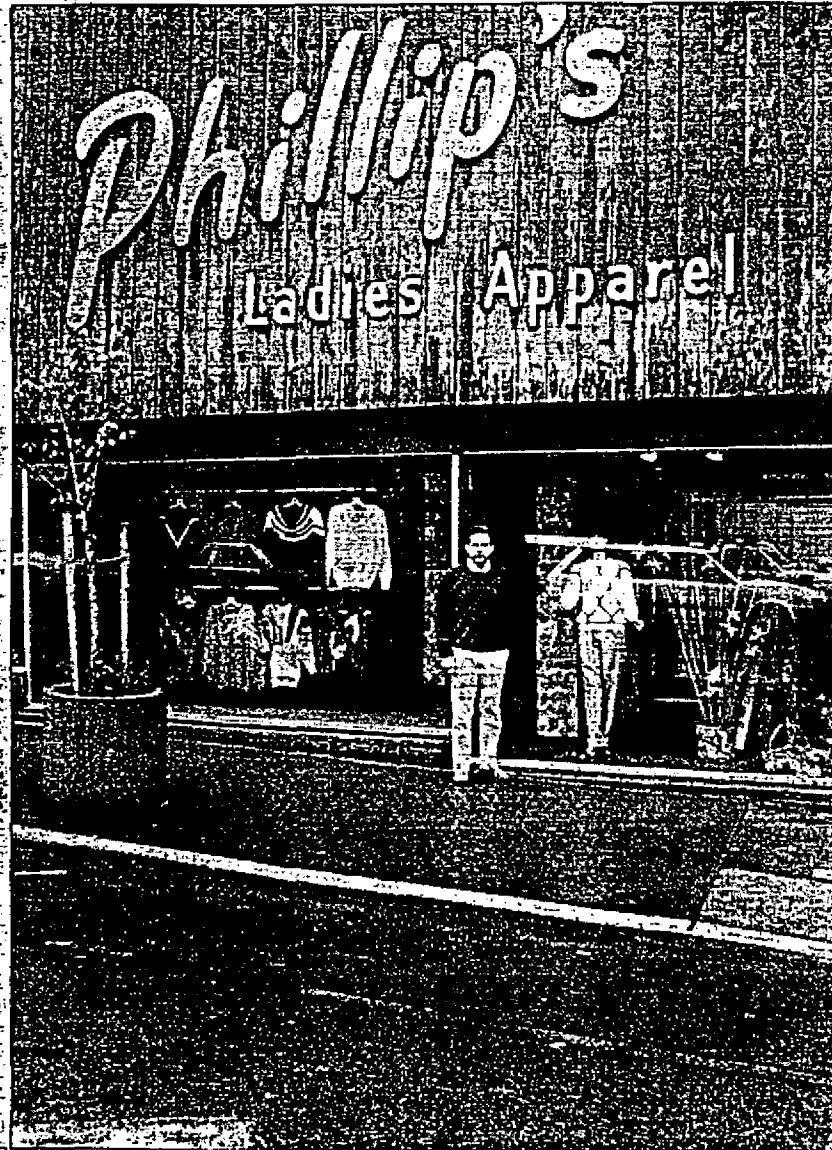
Geoffrey took over the business from his father in 1977.

"Oregon City used to be alive and a real retail center," he said, "but that is no longer the case. It has lost its retail feeling."

Though the Salberg family resided in Portland, Geoffrey, because of the store, spent most of his youth here. "I grew up on Main Street and in Oregon City. I remember moving sandbags over there during the big flood," he said while pointing to the nearby Willamette River, which crested at 48 feet above normal during the Christmas Flood of 1964.

Salberg, 40, said a lack of business was forcing him to close down, and he attributed that lack to a number of factors, including the general decline of retail on Main Street and the fierce competition in his industry.

"Oregon City used to be alive and a real



SHUTTING DOWN — Geoffrey Salberg, owner of Phillip's Ladies Apparel in downtown Oregon City, last week announced he was closing the 40-year-old business. Salberg, who took over the store from his father, cited competition with discount houses and malls, and changes in consumer buying habits, as reasons for the significant drop in business that led to his decision.

Michael Dale/THE REVIEW

retail center," he said, "but that is no longer the case. It has lost its retail feeling."

He said his shopper traffic and sales volume today are about one-third of what they were 10 years ago.

The clothier also noted that consumer buying habits have changed in such a way as to put the stand-alone retailer at a disadvantage. "Consumers don't go downtown anymore," he said. "They go to malls, or giant discount stores instead."

Today's consumers also do not want to pay full price, and they expect everything to be on sale, he added. "The little guy can't compete with the Town Centers and the Fred Meyers and the strip malls," he said.

The business has been on Main Street in downtown for 40 years.

As for downtown and its general deterioration, Salberg doesn't have any specific remedies, though he did say he didn't think retail would ever make a comeback in the area unless Clackamas County consolidated its offices there.

Salberg is the latest in a long stream of retailers who have left downtown. About this time last year, Matile's Men's Shop closed its doors for good; in business for 30 years, Matile's was located on Main Street a block north of Phillip's.

The ladies' clothier said Main Street is now a poor location only for retailers. "I think service businesses will remain strong downtown, at least Monday through Friday, because they are used by the county employees and visitors to the (Clackamas County) Courthouse."

Salberg made his decision to close at the end of this summer, after selling the Phillip's building to the owner of the music store that stands next to the apparel shop. "We had to face reality sooner or later," he said. "You can't be blind to the type of business situation we had here, and things were not getting any better."

He has no immediate plans for another business or job. "This has been my life," he said of the store, "and now I have to make some drastic changes."

CITY OF OREGON CITY

Incorporated 1844

Dated

November 14, 1990

REPORT

Page _____ of _____

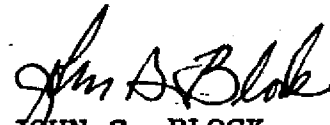
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**Subject: Personal Services Agreement
Red Soils Marketing Program**

Report No. 90-36

On the November 14, 1990 Urban Renewal Agency agenda is a personal services agreement with Ryan, Hutchins, Arthur, Southwick Advertising Public Relations for Agency approval. The agreement and scope of services were discussed at work sessions on October 10 and October 24.

It is recommended the Agency adopt a motion approving the agreement and authorizing the Executive Director to execute on behalf of the Agency.


JOHN G. BLOCK
Executive Director

JGB:im

cc: Connie Southwick, Consultant

URBAN RENEWAL AGENCY

PERSONAL SERVICES AGREEMENT

THIS AGREEMENT is between the OREGON CITY URBAN RENEWAL AGENCY (Agency) and Ryan, Hutchins, Arthur, Southwick Advertising Public Relations (Contractor).

A. Agency requires services which Contractor is capable of providing, under terms and conditions hereinafter described.

B. Contractor is able and prepared to provide such services as Agency requires, under those terms and conditions set forth.

The Parties Agree as Follows:

1. Term. The term of this Agreement shall be from November 15, 1990 to September 30, 1991, unless sooner terminated pursuant to provisions set forth below.

2. Scope of Services. Contractor's services under this Agreement shall consist of the following:

See attached Exhibit "A", Scope of Work

3. Contractor Identification. Contractor shall furnish to Agency its employer identification number, as designated by the Internal Revenue Service, or Contractor's social security number, as Agency deems applicable.

4. Compensation.

a. Agency agrees to pay Contractor on a monthly basis for the services required. Total compensation, including reimbursement for expenses incurred, shall not exceed \$89,000.

b. Agency agrees to pay Contractor within 30 days after receipt of Contractor's itemized statement. Amounts disputed by the Agency may be withheld pending settlement.

c. Agency certifies that sufficient funds are available and authorized for expenditure to finance costs of the Agreement.

5. Contractor is Independent Contractor.

a. Contractor's services shall be provided under the general supervision of the Executive Director, or his or her designee, but Contractor shall be an independent Contractor for all purposes and shall be entitled to no compensation other than the compensation provided for under Paragraph 4 of this Agreement.

b. Contractor certifies that it is either a carrier-insured employer or a self-insured employer as provided in Chapter 656 of Oregon Revised Statutes. Contractor will provide proof of compliance with the requirements of workers' compensation coverage before labor under this contract commences.

c. Contractor acknowledges responsibility for liability arising out its negligent performance of this Agreement and shall hold harmless and indemnify Agency, its officers, agents and employees for any and all liability, settlements, loss, costs, and expenses in connection with any action, suit, or claim resulting or allegedly resulting from contractors negligent performance of activities under or services provided pursuant to this Agreement.

6. Early Termination.

a. This Agreement may be terminated without cause prior to the expiration of the agreed-upon term:

(1) by mutual written consent of the parties.

(2) by either party upon 30 days' written notice to the other, delivered by certified mail or in person.

b. Upon receipt of notice of early termination, Contractor shall immediately cease work and submit a final statement of services for all services performed and expenses incurred since the date of the last submittal of a statement of services.

c. Any early termination of the Agreement shall be without prejudice to any obligation or liabilities of either party already accrued prior to such termination.

d. The rights and remedies of Agency provided in this Agreement relating to defaults by Contractor shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

e. Any delay resulting in whole or part from the failure of Agency to perform its responsibilities under this Agreement or from causes beyond the control of the parties will result in a corresponding extension of the schedule for project completion.

7. Cancellation for Cause.

Agency may cancel all or any part of this contract, effective upon delivery of written notice to Contractor by certified mail or in person, if Contractor fails to provide services called for by this Agreement within the time specified or any extension thereof; if Contractor fails to perform any of the other provisions of this Agreement, or fails to pursue the work of this Agreement in accordance with its terms after receipt of 10 days written notice from the Agency; or in the event of any of the following:

Insolvency of Contractor; voluntary or involuntary petition in bankruptcy by or against Contractor; appointment of a receiver or trustee for Contractor; or an assignment for benefit of creditors of Contractor. Damages for breach shall be those allowed by Oregon law, reasonable and necessary attorney fees, and other costs of litigation at trial and upon appeal.

8. Subcontractors and Assignment. Contractor shall neither subcontract any of the work, nor assign any rights acquired hereunder, without obtaining prior written approval from Agency. Agency, by this Agreement, incurs no liability to third persons for payment of any compensation provided herein to Contractor.

9. Access to Records. Agency shall have access to all books, documents, papers and records of Contractor which are pertinent to this Agreement for the purpose of making audit, examination, excerpts and transcripts.

10. Work is Property of Agency. All work performed by Contractor under this Agreement shall be the property of Agency.

11. Adherence to Law.

a. Contractor shall adhere to all applicable laws governing its relationship with its employees, including but not limited to laws, rules, regulations and policies concerning workers' compensation, and minimum and prevailing wage requirements.

b. Contractor shall not discriminate based on race, religion, color, sex, age, national origin, marital status, political affiliation or handicap condition. Contractor shall adhere to all applicable laws, regulations and policies relating to equal employment opportunity, nondiscrimination in services and affirmative action, including all regulations implementing Executive Order No. 11246 of the President of the United States, Section 402 of the Vietnam Readjustment Assistance Act of 1974, and Section 503 of the Rehabilitation Act of 1973.

12. Professional Standards. Contractor shall be responsible to the level of competency presently maintained by others practicing in the same type of work in Agency's community, for the professional and technical soundness, accuracy and adequacy of all work and materials furnished under this authorization.

13. Modification, Supplements or Amendments. No modification, change, supplement or amendment of the provisions of this Agreement shall be valid unless it is in writing and signed by the parties hereto.

14. Indemnity and Insurance.

A. Indemnity - The Contractor acknowledges responsibility for liability arising out of the Contractor's performance of this Agreement and shall hold the Agency, its officers, agents, consultants and employees harmless from and indemnify them for any and all liability, settlements, loss, costs, and

expenses, including attorney's fees, in connection with any action, suit, or claim caused or alleged to be caused by the acts, omissions, activities or services by the Contractor, or the agents, consultants or employees of the Contractor provided pursuant to this Agreement, including those cases in which the Agency is liable or alleged to be liable because of its employment of the Contractor.

- B. Workers Compensation Coverage - The Contractor certifies that the Contractor has qualified for Workers Compensation as required by the State of Oregon. The Contractor shall provide the Agency, within ten (10) days after contract execution, a certificate of insurance evidencing coverage of all subject workers under Oregon's Workers Compensation statutes. The certificate and policy shall indicate that the policy shall not be terminated by the insurance carrier without thirty (30) days' advance written notice to the Agency. All agents or consultants of the Contractor shall maintain such insurance.
- C. Comprehensive, General and Automobile Insurance - The Contractor shall maintain comprehensive general and automobile liability insurance for the protection of the Contractor, and the Agency, and for their directors, officers, agents, and employees, insuring against liability for damages because of personal injury, bodily injury, death, and broad form property damage, including loss of use, and occurring or in any way related to the Contractor's operations, each in an amount not less than \$1,000,000 combined single limit per occurrence/annual aggregate. Such insurance shall name the Agency as an additional insured with the stipulation that this insurance, as to the interest of the Agency, shall not be invalidated by any act or neglect or breach of contract by the Contractor.
- D. Errors and Omissions Insurance - The Contractor shall provide the Agency with evidence of professional errors and omissions liability insurance for the protection of the Contractor and its employees, insuring against bodily injury and property damage arising out of the Contractor's negligent acts, omissions, activities or services in an amount not less than \$500,000 combined single limit. The Contractor shall maintain in force such coverage for not less than three (3) years following completion of the Project. Such insurance shall include contractual liability.

Within ten (10) days after the execution of the Agreement, the Contractor shall furnish the Agency a certificate evidencing the dates, amounts, and types of insurance that has been procured pursuant to this Agreement. The Contractor will provide for not less than thirty (30) days' written notice to the Agency before the policies may be revised, cancelled, or allowed to expire. The Contractor shall not alter the terms of any policy without prior written authorization from the Agency. The provisions of this subsection apply fully to the Contractor, and its consultants and agents.

15. Integration. This Agreement contains the entire agreement between and among the parties, integrates all the terms and conditions mentioned herein or incidental hereto, and supersedes all prior written or oral discussions or agreements between the parties or their predecessors in interest with respect to all or any part of the subject matter hereof.

16. Legal Expenses. In the event legal action is brought by Agency or Contractor against the other to enforce any of the obligations hereunder or arising out of any dispute concerning the terms and conditions hereby created, the losing party shall pay the prevailing party such reasonable amounts for attorneys fees, costs and expenses as may be set by the court. "Legal action" shall include matters subject to arbitration and appeals.

17. Severability. The parties agree that if any term or provision of this Agreement is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected.

18. Number and Gender. In this Agreement, the masculine, feminine or neuter gender, and the singular or plural number, shall be deemed to include the others whenever the context so requires.

19. Captions and Headings. The captions and headings of this Agreement are for convenience only and shall not be construed or referred to in resolving questions of interpretation or construction.

20. Calculation of Time. All periods of time referred to herein shall include Saturdays, Sundays and legal holidays in the State of Oregon, except that if the last day of any period falls on any Saturday, Sunday or legal holiday, the period shall be extended to include the next day which is not a Saturday, Sunday or such a holiday.

21. Notices. Any notices, bills, invoices, reports or other documents required by this Agreement shall be sent by the parties by United States mail, postage paid, or personally delivered to the addresses below. All notices shall be in writing and shall be effective when delivered. If mailed, notices shall be deemed effective forty-eight (48) hours after mailing, unless sooner received.

22. Nonwaiver. The failure of Agency to insist upon or enforce strict performance by Contractor of any of the terms of this contract or to exercise any rights hereunder shall not be construed as a waiver or relinquishment to any extent of its rights to assert or rely upon such terms or rights of any future occasion.

AGENCY: John G. Block, Executive Director
Oregon City Urban Renewal Agency
320 Warner-Milne Road
Oregon City, Oregon 97045

CONTRACTOR: Ryan, Hutchins, Arthur, Southwick Advertising
Public Relations
River Forum I, Suite 301
4386 S. W. Macadam Avenue
Portland, Oregon 97201-6423

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed
by their duly appointed officers.

(Contractor)

By 
Peter J. Ryan, President

Oregon City Urban Renewal Agency

By _____
John G. Block, Executive Director

EXHIBIT "A"

RED SOILS MARKETING PROGRAM

SCOPE OF SERVICES

			<u>Tentative Schedule</u>
I.	Promotional Strategy	\$4,000	11-15-90 to 12-15-90
A.	Conduct a series of 15 Focus One interviews with key business and community leaders, members of state tourism and development organizations, and other key individuals.		
B.	Evaluate interview results and provide a report identifying the City's resources and promotional opportunities, problems and market realities.		
II.	Target Industry Study	\$9,000	1-15-91 to 3-15-91
A.	Determine the primary amenities and characteristics that are unique to the Red Soils Industrial Park.		
B.	Determine the likely industries that would make viable tenants (selection by SIC codes)		
C.	Conduct an on-line data base search and review of fabricator/manufacturer directories.		
D.	Select preliminary list of target groups and industrial companies and review with City.		
E.	Design and implement a survey of the reviewed companies to determine contact and key personnel, required site amenities and likelihood of relocation.		
F.	Interview and qualify final crossection of companies and provide City with pertinent leads.		
G.	Prepare a final report summarizing the findings and recommendations of the target industry effort.		

SCOPE OF SERVICES

Page 2

Tentative Schedule

III.	Marketing Support Activities	\$76,000	11-15-90 to 12-15-90
A.	Review and make recommendations on the print and electronic media to use in marketing Red Soils to the target area of Clackamas County, Portland and Southwest Washington.		
B.	Prepare and distribute press releases on the Red Soils development to the selected media: 1. Announcing the land acquisition (Jan. 1991) 2. Announcing the start of construction (Apr. 1991) 3. Announcing the first tenant (July 1991, est.)		
C.	Conceptual development, design and complete production of a two to three color sales presentation collateral.		2-15-91 to 3-15-91
D.	Conceptual development, design and complete production of a multi-impact direct mail effort with integrated follow-up. The number of impacts will be no less than two and no more than four. Direct mail list costs are not included; the target list will be generated by Image Analysis research and client compilation.		3-15-91 to 4-15-91
E.	Design and camera-ready production of a small support print advertisement, for limited placement in select media. The agency will determine the best media placement for the ad, schedule the ad and perform all necessary paperwork and confirmation activities.		4-15-91 to 5-15-91
F.	Other follow on support services as authorized by City within remaining budget		7-1-91 to 9-30-91

CITY OF OREGON CITY

Incorporated 1844

Dated

November 14, 1990

Page _____ of _____

1 1

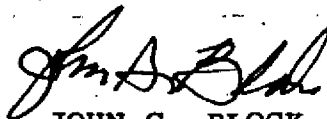
Subject: Legal Opinion on Urban Renewal
Funding for Police and Fire Services

Report No. 90-36-A

Attached is a legal opinion from Olie Norville on the question of using tax increment revenues for police and fire services.

The opinion states that tax increment funds can not be used for police or fire operations or equipment costs; but can, with some limitation, be used for facilities that would have a direct benefit on the urban renewal project area.

If the Agency wants to consider funding for police and fire facilities it will need to find that the facility is identified in the City's Comprehensive Plan, is included in the Urban Renewal Plan, and has a direct benefit on the Urban Renewal project area.



JOHN G. BLOCK
Executive Director

JGB:im

Attach.

cc: Charles Leeson, City Manager
Richard Martin, Police Chief
Jack Lynch, Interim Fire Chief

URBAN RENEWAL AGENCY

HOWARD A. RANKIN
PETER R. MERSEREAU
JAMES P. SHANNON, LL.M.*
THOMAS W. McPHERSON†
KATHERINE M. ZELKO, LL.M.

RANKIN MERSEREAU & SHANNON

LAWYERS

FOUNDED IN 1885 AS
SMITH & TEAL

OLIVER I. NORVILLE
OF COUNSEL

TELEPHONE: 503-226-6400
FACSIMILE: 503-226-0383

† ALSO LICENSED IN CALIFORNIA
*ALSO LICENSED IN MICHIGAN & COLORADO

1600 BENJ. FRANKLIN PLAZA
ONE S.W. COLUMBIA STREET
PORTLAND, OREGON 97258

November 8, 1990

Mr. John G. Block
Executive Director
Oregon City Urban Renewal Agency
320 Warner Milne Rd.
Oregon City, OR 97045

RE: Opinion on Use of Tax Increment Financing to Provide
Police and Fire Services, Equipment and Facilities

Dear Mr. Block:

The Oregon City Urban Renewal Agency is preparing an urban renewal plan for and intends to undertake urban renewal activities in the downtown area of Oregon City. The activities are to be financed with tax increment financing under the provisions of ORS Chapter 457. A proposal has been made to provide police and fire services, equipment and facilities under the plan utilizing tax increment financing. You have asked my opinion as to the legal authority of an urban renewal agency to utilize such funds for that purpose.

Tax increment funds are special funds which may be expended only for projects or activities authorized by statute and the urban renewal plan. Any other use of such funds may constitute an improper expenditure of public funds creating personal liability. The issue presented therefore is whether tax increment funds may, in this instance, be used for financing police and fire services, equipment and facilities.

The purpose of the urban renewal law is stated in ORS 457.020. That section generally provides that there are blighted areas in the state which impair economic values and "constitute a menace to the health, safety, morals and welfare of the residents of the state"; but these areas may require public action including "the acquisition, clearance, replanning, and preparation for rebuilding of these areas"; and that these "are public uses and purposes for which public money may be spent and private property acquired and are

Mr. John G. Block
November 8, 1990
Page Two

governmental functions of state concern." The purpose of the urban renewal law, therefore, is to eliminate existing conditions of blight in an area and redevelop the area in such a manner as to prevent future blight.

The powers of an urban renewal agency in planning or undertaking an urban renewal plan are contained in ORS 457.170. These powers authorize the agency to carry out rehabilitation work, to acquire, clear and dispose of real property, to assist in relocation of displaced persons and to "install, construct or reconstruct streets, utilities and site improvements in accordance with the urban renewal plan." Tax increment funds may be used in exercising these powers.

Expenditures of tax increment funds are limited to those activities authorized by statute and provided for in the urban renewal plan. Those activities include improvements which directly respond to the physical condition causing the blight and identified in the plan and the report which accompanies the plan. The types of permitted activities are specified in the statutory provisions cited above. There is nothing in the statute which permits an agency to provide police and fire services and equipment to serve the area. An agency may, however, have the authority to use tax increment funds to provide public facilities which serve the needs of the area and provide a direct benefit to the area. This could include police and fire facilities. Such facilities and use, however, should be consistent with the comprehensive plan of the City and be a proper utilization of the land and be a direct benefit to the project area. I shall be happy to discuss the authority and limitations to use tax increment funds for such facilities in further detail if you so desire.

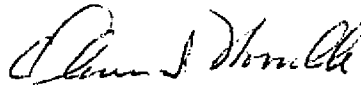
In response to the question you have presented, it is my opinion that the agency has no authority to use tax increment funds for financing police and fire services and equipment for a project area, but may, with certain limitations, use such funds for financing police and fire facilities which directly serve and benefit the area.

RANKIN MERSEREAU & SHANNON

Mr. John G. Block
November 8, 1990
Page Three

I hope the above opinion adequately responds to the question you have presented. Please advise me if I can be of further assistance.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Oliver I. Norville".

Oliver I. Norville

OIN:dlt

CITY OF OREGON CITY

Incorporated 1844

Dated

November 14, 1990

Page 1 of 1

REPORT

Subject: Review of Measure 5 Impacts

Report No. 90-37

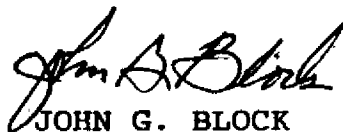
Attached is a Report to the Association of Oregon Redevelopment Agencies on the potential impacts of Measure 5 on Urban Renewal programs.

The report indicates there are still some ambiguities that will need to be resolved through interpretation, legislation or litigation.

Since Measure 5 reduces the property tax there is the obvious reduction in tax increment revenues that will be available to the Agency.

Measure 5 does apparently treat tax increment revenue as a tax and therefore under the rate limitation; however, the Attorney General's opinion is that revenues used for bonded indebtedness are outside of the rate limit. This is a benefit because most of the Agency's revenues will be used exclusively for bonded indebtedness.

There remain questions on the non-bonded indebtedness revenues and concludes by recommending the Association of Oregon Redevelopment Agencies prepare legislation to deal with those issues.



JOHN G. BLOCK
Executive Director

JGB:im

Attach.

cc: Charles Leeson, City Manager

URBAN RENEWAL AGENCY

MEMORANDUM REPORT

TO: Association of Oregon Redevelopment Agencies

FROM: Legal Task Force: Oliver I. Norville,
Harvey Rogers and Howard A. Rankin

DATE: October 30, 1990

SUBJECT: Impact of Ballot Measure 5 on Tax Increment
Financing

ANALYSIS AND IDENTIFICATION OF ISSUES: PROCESS FOR
RESOLVING ISSUES

AORA has requested the Legal Task Force to analyze and identify the issues concerning the impact Ballot Measure 5, if approved by the voters, will have on tax increment financing, and to suggest a process for resolving such issues. The charge to the legal tax force is as follows:

SUBSTANCE

1. Review and analyze the ballot measure as written to produce a list of questions that are raised by the measure, either because of ambiguity, inconsistency or lack of comprehensive coverage.
2. Identify which questions raised by #1 are important to AORA and the reasons for their importance. Prioritize the issues based upon their impact on AORA members.

PROCESS

3. Identify the processes which are available to answer the questions identified in #2, i.e. the courts, the legislature, local governments, others.

4. Identify other parties who do or who might share the same issues identified in #2. Investigate and report on any action those parties are planning or pursuing to answer the questions.
5. If #3 includes legislation as a necessary process, recommend a schedule and a process for drafting and presenting legislation (with or without other parties).
6. If #3 includes litigation as a necessary process, recommend a schedule and a process for initiating or participating in litigation (with or without other parties).

SUBSTANTIVE ISSUES: ANALYSIS AND DEFINITION

While Ballot Measure 5 ("Measure") was designed to limit property taxes, the measure does not deal directly with tax increment financing ("TIF"). The limitations it imposes, however, have important implications to TIF financing. First, the rate limitations contained in the Measure seriously reduce the revenues available for TIF financing. Second, the Measure results in ambiguities in its application to TIF financing which must be resolved through interpretation, legislation or litigation. The reduced revenues to TIF financing are self-apparent; the ambiguities must be resolved. The Legal Tax Force was concerned with resolving the ambiguities.

The Oregon Attorney General has issued an opinion (No. 8216; September 7, 1990) concerning the application and

effect of the Measure on numerous issues presented ("AG Opinion"). The AG Opinion concludes that tax increment revenue used to pay bonded indebtedness of an agency carrying out an urban renewal plan does not fall within the rate limitations on property taxes contained in the measure. It suggests, however, the need for legislation to determine the method of calculating the amount of tax increment used to repay bonded indebtedness. The AG Opinion also concludes that tax increment revenue is a "tax" within the meaning of the Measure (although it notes that this issue is not free from doubt) and that any portion of tax increment revenues not applied to payment of bonded indebtedness are subject to the rate limitations. The AG Opinion further states that, since the funds are applied to a non-school use, they are subject to the general governmental limitation of \$10/\$1000. An example is given in the AG Opinion as to the method for computing the increment within that limitation.

The Task Force, although not in total agreement with the conclusions of the Attorney General on all issues, has accepted the views of the Attorney General as contained in the AG Opinion as a reasonable legal position. The result, in ruling that tax increment used to pay principal and interest on bonded indebtedness is not subject to the limitations contained in the measure, is generally favorable

to most agencies and their TIF financing programs. The portions of the AG Opinion which the Task Force took exception to related to the conclusions that: (1) TIF funds are a "tax" within the meaning of the Measure; and (2) TIF funds are subject to the general governmental limitation only, rather than the combined school and governmental limitation. The Task Force was divided as to the merits of the legal arguments with respect to these issues. Although the Task Force makes no recommendation with respect to these matters, they should be preserved as items which AORA or individual agencies may desire to raise in the future.

The issues which are presented by the Measure and which result from the conclusions of the AG Opinion are set forth below, together with the reasons for their importance. They are set out in their order of priority based upon their impact on AORA members. The first three issues are legal questions while the fourth is a policy issue.

(1) What does "bonded Indebtedness" mean under Section 11b(3)(a) of Ballot Measure 5? Does it include any kind of debt obligation of an agency? If so, what kind of debt obligation?

Section 11b(3)(a) of the Measure provides that the limitations do not apply to: "Taxes imposed to pay the principal and interest on bonded indebtedness authorized by a specific provision of the Constitution." The AG Opinion concludes that TIF funds used to repay bonded indebtedness may be excluded from the calculation of taxes imposed within the limit because they are "bonded indebtedness authorized by a specific provision of the Constitution." The term "bonded indebtedness" has no fixed legal meaning. It is therefore subject to definition by the Legislature and the courts. If it is given a broad legislative definition to include all or a substantial portion of the debt obligations of an agency, the agency could exempt all or a major part of its tax increment funding from the limitations of the Measure. The drafting of any such legislation must consider factors that the courts would regard in determining whether such statutory definition is reasonable. Such factors could include requiring that: (1) formal action of the agency governing body be taken obligating such TIF funding to payment of the indebtedness; (2) payment be made beyond the fiscal year of issuance of the bonds or debts; (3) other factors which establish the reasonableness of the obligation as a "bonded indebtedness."

(2) If TIF funds are used to pay the principal and interest on bonded indebtedness, are all such funds wholly outside the limitations of Ballot Measure 5, or only that portion of the funds required for debt service? How is the amount required for debt service determined?

Since TIF funds used to repay "bonded indebtedness" are exempt from the limitations of the Measure, the next issue is, as stated above, whether all funds pledged are exempt or only those required to pay the debt service. If only those TIF funds "required" are exempted, the remaining funds fall within the limitation. While the AG Opinion does not clearly make this distinction, it creates an ambiguity which should be resolved by legislation in a manner which exempts all TIF funds pledged to repay bonded indebtedness from the limitations of the Measure.

(3) If TIF funds are subject to either limitation, how are they computed? By using the AG example for an individual property? By using an example of the entire value of the urban renewal area? How can these methods be reconciled?

Any portion of the TIF funds which is not obligated to pay bonded indebtedness will be subject to the limitation of the Measure. The AG's Opinion concludes that it is subject

to the \$10/\$1,000 non-school governmental limitation. If the total non-school governmental levy is less than \$10/\$1,000 limitation, the TIF funds can be calculated in the normal way since it would have no impact on the amount received by the other governmental bodies. If the total levy exceeds the \$10/\$1,000 limit, a formula for computing must be established. The example given in the AG Opinion applies to only individual properties. A more practical approach would be to apply it to the entire urban renewal area using the concepts of the AG Opinion as a guide. In any event, this should be done legislatively in order to resolve this ambiguity.

(4) Policy Issue: To what extent should TIF funds compete with local government and schools if the TIF funds fall within the tax limitation for local government and schools?

In the event the TIF funds fall within the \$10/\$1,000 general governmental limitation, a basic conflict will result between urban renewal agencies and non-school governmental bodies competing for the funds. This is a policy, not a legal issue, but one on which AORA should take a position since conflict is likely to arise.

PROCEDURE FOR RESOLVING ISSUES

The Task Force recommends that the above-described issues be resolved legislatively in the first instance. All of the issues are subject to legislative resolution. The courts will defer to the Legislature's interpretation of the Measure if it is reasonable, so there is an opportunity to dispose of most issues by legislation. Most issues will not be ripe for litigation until after the beginning of the 1991-92 fiscal year and perhaps not until taxes are levied for that year. Litigation should, therefore, be postponed although AORA should be prepared to respond to litigation initiated by opponents of TIF financing either through an attack on the interpretation given the Measure or against the legislation which is enacted to implement the Measure.

The Task Force has not identified any other parties who might share the same issues identified above. The League of Oregon Cities and the Attorney General's Office have been contacted and neither are aware of any legislation which is presently being proposed concerning the Measure. Present efforts have been focused on defeating the Measure. In the event the Measure does pass, however, work will commence immediately in drafting legislation to deal with the many issues which will be presented. Following the election, when

the composition of the Legislature is known, a more complete assessment can be made as to how those issues will be dealt with.

The Task Force recommends that, in the event of passage of the Measure, specific legislative proposals be prepared responding to the issues identified above. Such legislation should be ready no later than the date the Legislature convenes in January, 1991. The bill should be in such form that it can be included in an omnibus bill dealing with the many matters that would be considered in response to the Measure, but it should also be in such form as it can stand alone as a separate bill. Strategically the Task Force recommends that, if possible, the proposed legislation be contained in an omnibus bill dealing with all of the issues raised by the Measure. Such a bill would presumably be prepared by the Legislative Counsel's Office, Revenue Section. In the event such a bill is not available at an early date, AORA should consider the immediate proposition of an individual bill in order to meet the pre-session filing deadline.

SUMMARY

The Task Force recommends that, if Ballot Measure 5 is approved, AORA prepare legislation to deal with the issues identified above and that AORA hold itself ready to respond to any litigation attacking the interpretation given the Measure or the legislation adopted to carry it out.

CITY OF OREGON CITY

Incorporated 1844

Dated

November 14, 1990

REPORT

Page 1 of 1

Subject: Supplemental Report - Revised Revenue
Projections and Project Activities

Report No. 90-39

Attached is a report from Charles Kupper on revised revenue projections because of Measure 5 and suggested changes in project activities to reflect the reduction in revenue. Measure 5 will reduce the projected revenue to \$10.1 million over the 15 year planning period (1991 - 2005).

This will require a reduction of \$2.5 million in projects to balance with the projected revenue. Listed below are the suggested changes. The changes take into account the priority ranking and availability of revenue in each five-year phase of the planning period.

The following projects are being suggested to be dropped:

o Holcomb Boulevard Improvements	\$525,000
o 8th Street Dock and Restaurant	750,000
o McLoughlin Bluff Landscaping	200,000
o Library Park Amphitheater	50,000
o 2nd and 99-E Intersection Improvements	250,000

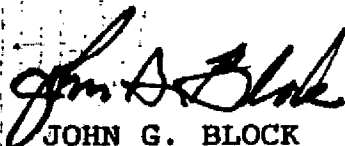
The following projects are being suggested to be reduced in size:

o Reuse of Courthouse reduced	500,000
o Downtown Parking reduced	<u>250,000</u>

TOTAL REDUCTION

\$2,525,000

Following public testimony the Agency should consider these and/or other changes and provide direction to include in the final draft of the Downtown Renewal Plan.



JOHN G. BLOCK
Executive Director

JGB:im

Attach.

cc: Charles Leeson, City Manager

URBAN RENEWAL AGENCY

Downtown Oregon City/End of Trail Area
PRELIMINARY ESTIMATES - PROJECT ACTIVITY COST AND PHASING

DISCUSSION DRAFT ~~3~~4

KEY - Phase numbers represent five year time periods

Park Place	EST. COST	PHASE
Multi-Family Housing Development Assistance	\$ 150,000	~~1~~ 3
Park Place Sub-area Design Plan	30,000	~~1~~ 2
Lagoon/Waterfront		
Park Land Acquisition	500,000	1
Land Assembly & Site Preparation Assistance	1,500,000	1
River Access Trail	100,000	~~1~~ 3
Main St. Reconstruction	440,000	~~1~~ 2
Agnes Ave. Reconstruction	700,000	~~1~~ 2
Tour Boat Dock & Marina	250,000	~~2~~ 3
Prepare Lagoon Redevelopment Plan	30,000	1
Clackamette Park Improvements	200,000	~~3~~ 1
End of Trail Area		
Road Improvements (Inc. R.O.W. and Acquis.)	1,250,000	~~1~~ 2
Parking Improvements & Site Preparation	750,000	~~1~~ 3
~~Holcolm Boulevard Improvements~~	~~525,000~~	~~2~~
Abernethy Creek Improvements	250,000	~~2~~ 3
Upgrade Fire Protection Services	375,000	~~2~~ 3
Downtown Core		
Assist Adaptive Re-use of Courthouse	~~1,000,000~~ 500,000	~~2~~ 3
Surface Parking	~~1,000,000~~ 750,000	~~2~~ 1
Facade Improvements	200,000	1/2
Streetscaping	50,000	1
Building Rehab Loans	300,000	2/3
Improve Willamette Falls Viewpoint	50,000	~~2~~ 1
Improve McLoughlin Blvd. Promenade	100,000	2
~~8th Street Dock~~	~~750,000~~	~~3~~
~~McLoughlin Bluffs Landscaping Program~~	~~200,000~~	~~2~~
Do Sub-area Design Plan	30,000	1
Transportation Linkage Study	100,000	~~2~~ 3
Washington-7th Corr.		
Parking Improvements	200,000	3
Bldg. Rehab Loans	300,000	3
Streetscape on 7th	100,000	3
Traffic Diversion - Washington St.	50,000	3
~~Assist City Amphitheater development~~	~~50,000~~	~~3~~
Library Restoration	300,000	3
Sub-area Design Plan	20,000	2
Heritage Center		
S. End Road Improvements (Shared Cost with County)	500,000	~~2~~ 1
~~Intersection Improvements - 2nd and 99E (Share with ODOT)~~	~~250,000~~	~~2~~
TOTAL	~~\$12,600,000~~ 10,075,000	

November 13, 1990

To: John Block
From: Charles Kupper

Re: Tax Limitation Strategy - Downtown/End of Trails Project

As you requested last week, we are attaching a revised revenue projection and a revised schedule for project activities. The revenue calculations are based upon one of many interpretations that might be applied to POPS' effect on tax increment revenues. We would like to cover a number of issues in this memo, some relating to the development strategies and scheduling dictated by POPS, others to policy matters relating to plan adoption.

REVISED REVENUE PROJECTIONS

The revenues produced in a tax limitation scenario are based upon the new values we agreed upon last week, and a tax rate declining according to the provisions of POPS. Since taxes required to pay debt service on already-existing bonded debt will be allowed outside the POPS limitation, we are adding \$2 on to the maximum rates allowed under POPS. The lowest combined rate used in this scenario thus becomes \$17. We will address the uncertainty about these revenue calculations later in the memo.

REVENUE IMPACT OF TAX LIMITATION

The total ^{\$10.1 million} tax increment generated by the new values shown in the tax limitation cash flow scenario is ~~\$9.88 million~~ between 1991-2005. This contrasts with a total of \$19.065 million for the same values, same period using the current combined tax rate. Thus, tax increment revenues are reduced to 51.4% of the pre-POPS amount. The reduction in tax increment revenues also reduces the early bonding capacity of project values to less than \$2 million.

REVISED STRATEGY

The general development strategy is unchanged - first priority on expenditures is given to activities which are most likely to promote new taxable values. Thus, the primary emphasis remains one of concentrating early investments in the End of Trails and Lagoon areas. In the first five years of the project, each of those areas receives \$2 million worth of funding.

However, the reduced tax increment revenues now require choosing one of two strategic options - either eliminate project activities, or further extend the phasing of the renewal project. We have chosen to add a fourth 5 year phase to the project. We have put activities and expenditures least likely to produce new revenues into that fourth phase.

SPENCER & KUPPER

STRATEGY IMPACTS OF TAX LIMITATION

The strategic impacts of the tax limit stem mostly from the anticipated revenue reductions. **The most significant of all strategic impacts of the tax limitation is whether it will effect the End of Trails project.** The main thrust of the renewal plan's development strategy is based upon the assumption that the End of Trails Project will be implemented, and will act as a catalyst for development in that area. If the End of Trails project is killed or badly delayed, the entire development strategy of the renewal plan must be re-thought.

A definite impact of the reduced revenues is to require that the start of some project activities be delayed for ten or fifteen years. A significant number of projects and expenditures now get pushed ten to fifteen years into the future. The lengthy delays in turn raise questions about whether the expenditures and sub-area development strategies still will be appropriate fifteen or twenty years into the plan. One example of how delay can call the strategy into question is the required shift of the "Courthouse - Adaptive Reuse" project to year 2001. There is no way of knowing what the County will do with the Courthouse in the next ten years. The mere possibility of funding assistance is not likely to control County decisions on the Courthouse over that period. Should the Courthouse project then be dropped from the plan?

The funding delay raises the same kind of strategic questions in the "Washington-7th" and "Heritage Center" areas. Will the activities and relatively small expenditures scheduled for these areas make sense fifteen years in the future? Will the mere possibility of funding assistance help stabilize those areas in the short run?

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It was noted above that the revenue calculations are based on one set of assumptions about the final interpretation of how the POPS initiative will affect tax increment revenues. It should be noted that the method used here is NOT the methodology suggested by the AG opinion on POPS and tax increment financing. Any report on the Plan at this time must emphasize these uncertainties, and perhaps show two or more methods of calculating revenues under the POPS initiative.

Equally important, the method chosen for projecting tax increment revenues also reflects the assumptions on RENEWAL IMPACTS. The method chosen here makes the assumption that there will be a legal or legislative finding that ALL tax increment revenues fall outside the \$10 limit for local governments. That assumption produces a higher "local government" tax rate than \$10, but does not require a reduction in government bodies' general funds.

On the other hand, revenue assumptions based upon the AG opinion must also assume that tax increment funds will be considered a local "levy", and must fit within the \$10 limit. In order to accomodate this new "levy", other governmental bodies will be forced to reduce their own levies. Any report on a Plan should likewise take into account the differing interpretations of how tax increment impacts must be calculated.

OTHER KEY STRATEGIC ASSUMPTION

Regardless of the impacts of the tax limitation, it should be noted that much of the "startup" financing ability of the project is based upon assumptions regarding re-assessment of the Oregon City Shopping Center and the Lagoon Property. These re-assessments are programmed to add \$10 million in new values in the first two years of the plan. The re-assessments therefore have the same impact on project feasibility as adding a new \$10 million building project to the area. *City staff should devote the same attention and effort to working with the assessor as it would to working with the developer of a \$10 million project.*

CITY OF OREGON CITY

Incorporated 1844

Dated

November 14, 1990

REPORT

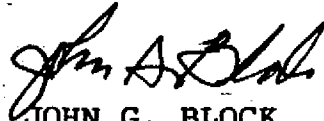
Page 1 of 1

Subject: Public Hearing - Downtown
Renewal Plan Development Strategy
and Preliminary Projects

Report No. 90-38

On the November 14, 1990 Agency agenda is a public hearing to review and take public testimony on the proposed Downtown Renewal Plan Development Strategy and Project Activities. Attached are copies of both, together with a proposed district boundary and subdistrict area map for review.

Also attached are the results of the Project Activities priority survey that the Agency Advisory Committee and Agency Board members completed.



JOHN G. BLOCK
Executive Director

JAB:im

Attach.

cc: Charles Leeson, City Manager

DOWNTOWN OREGON CITY/END OF TRAIL AREA URBAN RENEWAL PLAN

DEVELOPMENT STRATEGY

Second Draft
November 6, 1990

The Urban Renewal Plan will implement an overall development strategy for the Downtown Oregon City/End of Trail Area. The development strategy is based on the problems and opportunities found in several sub-districts within the plan area, and the available of revenues over time needed to carry out project activities within each sub-district. The strategy also relies on additional design and planning activities throughout the duration of the plan to further define a vision and specific project activities for sub-districts. The sub-districts are: Park Place Interchange; Lagoon/Waterfront Area; End of Trail Area; Downtown; Washington-7th Corridor; and Heritage Center.

Overall Strategy

1. Assist in preparing plans, comprehensive plan amendments and zoning changes in order to implement the End of the Oregon Trail Center Plan and related tourist commercial developments. When these plans and amendments are approved, amend this urban renewal plan to include project activities in support of these plans and amendments.
2. Direct short-term (0-5 years) public investments into areas with the greatest development and redevelopment potential. These areas are the End of Trail, and Lagoon/Waterfront Area.
3. Establish on-going business assistance programs in the Downtown area in the short-term which are designed to improve the downtown streetscape and building facades for existing building owners and tenants.
4. Direct mid-term (6-10 years) and long-term (11-15 years) public investments in Downtown, Park Place, Washington/7th Corridor and Heritage Center to support existing commercial and residential uses, and to stimulate new private investment.

Sub-District Strategies

1. End of Trail. Public improvements are needed to support the End Of Oregon Trail Center. The EOT Center will contain an interpretive center, outdoor/living history quarter, amphitheater, restored 1850's district, an immigrant park, festival marketplace and related parking. Improvements are needed now to address existing

problems in the area. After the EOT plan and related comprehensive plan amendments are approved, additional improvements will be needed which may include site assembly and preparation, street, sewer and water projects, relocation assistance and others. Public improvements anticipated in this plan include:

- Road improvements including ROW acquisition and relocation
- Parking and site preparation improvements
- Fire protection facilities
- Abernethy Creek improvements

2. Lagoon/Waterfront Area. This area will be redeveloped for tourist commercial uses directly related to the End of Trail Center, and existing parks will be enlarged and enhanced. Tourist commercial uses in the lagoon area include hotels, restaurants, marinas, and housing. Clackamette Park will also be expanded and improved and expanded along both the Willamette and Clackamas Rivers. After the EOT plan and related comprehensive plan amendments are approved, additional improvements will be needed which may include site assembly and preparation, street, sewer and water projects, relocation assistance and others. Public investments and improvements anticipated in this plan include:

- Lagoon redevelopment plan
- Park land acquisition/development
- Clackamette Park improvements
- River access trail
- Mixed-use project site assembly and preparation
- Main Street and Agnes Ave. reconstruction
- Tour boat dock and marina

3. Downtown. The historic downtown area will be enhanced, and retail and office opportunities will be supported by on-going programs and public improvements. In order to improve the linkages between the downtown and End of Trail area, a special design and transportation plan will be prepared. This plan will improve the flow of people and vehicles between these two activity areas, and should consider pedestrians, bicycles, automobiles and special modes such as trolleys and light rail. Public investments and improvements include:

- Historic buildings analysis: conservation/development program
- Downtown streetscape improvements
- Building facade improvement program
- Transportation linkages plan and implementation
- Surface parking improvements

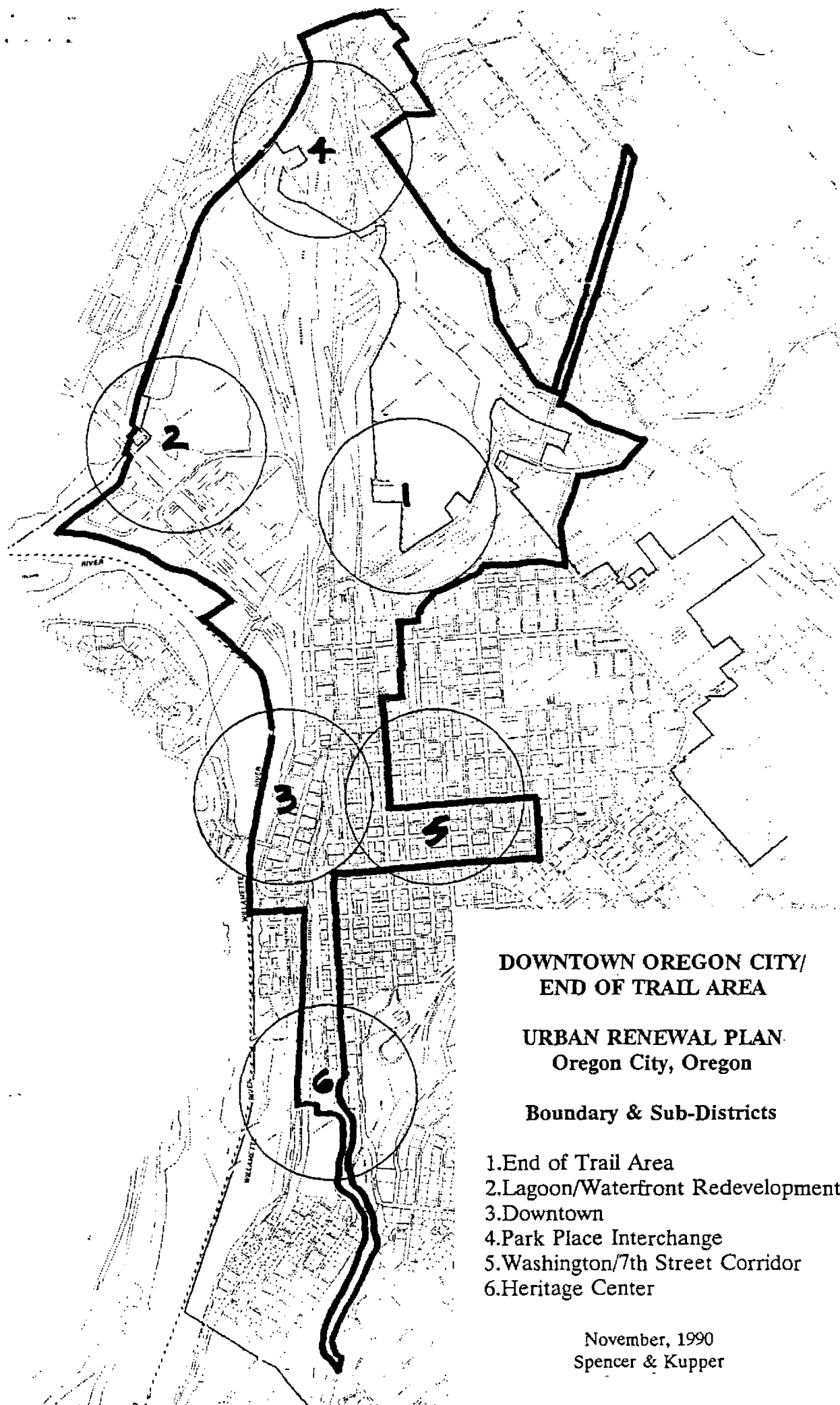
- Courthouse adaptive reuse assistance
 - 8th Street dock redevelopment
 - Promenade and viewpoint improvements
4. Park Place. The Park Place interchange area currently has a mix of industrial, commercial and residential land uses which do not take full advantage of the transportation and recreational improvements planned for the area. A sub-area design plan is needed in order to identify development and redevelopment opportunities and guidelines for more compatible uses such as tourist commercial, office, and high density housing. Public investments and improvements include:
- Design plan preparation
 - Development and redevelopment assistance
5. Washington/7th Street Corridor. Traffic management improvements are needed in this sub-district in order to encourage traffic on 7th, and discourage traffic on Washington. In addition, streetscape, and parking improvements are needed along 7th, and facade/building rehabilitation assistance will improve this local commercial corridor. Improvements to public areas will also enhance the area. Public investments and improvements include:
- Sub-district design plan
 - Parking improvements
 - Building rehabilitation assistance
 - Streetscape improvements on 7th
 - Washington St. traffic diverter
 - Amphitheater/library assistance
6. Heritage Center. The focus of this sub-area is the new county museum. The area also serves as the entrance into Oregon City from the south. Transportation improvements are needed in the area to improve local circulation, and to improve the connections with the Downtown. Public investments and improvements include:
- Sub-district design plan
 - Transportation improvements

Downtown Oregon City/End of Trail Area
PRELIMINARY ESTIMATES - PROJECT ACTIVITY COST AND PHASING

DISCUSSION DRAFT 3

KEY - Phase numbers represent five year time periods

		Staff sugg. priority	Su re pr
Park Place	EST. COST		
Multi-Family Housing Development Assistance	\$ 150,000	1+	
Park Place Sub-area Design Plan	30,000	1	
Lagoon/Waterfront			
Park Land Acquisition	500,000	1	
Land Assembly & Site Preparation Assistance	1,500,000	1	
River Access Trail	100,000	1+	
Main St. Reconstruction	440,000	1+	
Agnes Ave. Reconstruction	700,000	1+	
Tour Boat Dock & Marina	250,000	2	
Prepare Lagoon Redevelopment Plan	30,000	1	
Clackamette Park Improvements	200,000	3	
End of Trail Area			
Road Improvements (Inc. R.O.W. and Acquis.)	1,250,000	1	
Parking Improvements & Site Preparation	750,000	1	1/
Holcolm Boulevard Improvements	525,000	2	
Abernethy Creek Improvements	250,000	2	
Upgrade Fire Protection Services	375,000	2	1
Downtown Core			
Assist Adaptive Re-use of Courthouse	1,000,000	2	
Surface Parking	1,000,000	2	
Facade Improvements	200,000	1	
Streetscaping	50,000	1	
Building Rehab Loans	300,000	2	
Improve Willamette Falls Viewpoint	50,000	2	
Improve McLoughlin Blvd. Promenade	100,000	2	
8th Street Dock	750,000	3	
McLoughlin Bluffs Landscaping Program	200,000	2	
Do Sub-area Design Plan	30,000	1	
Transportation Linkage Study	100,000	2	
Washington-7th Corr.			
Parking Improvements	200,000	3	
Bldg. Rehab Loans	300,000	3	
Streetscape on 7th	100,000	3	
Traffic Diversion - Washington St.	50,000	3	
Assist City Amphitheater development	50,000	3	
Library Restoration	300,000	3	
Sub-area Design Plan	20,000	2	
Heritage Center			
S. End Road Improvements (Shared Cost with County)	500,000	2	
Intersection Improvements - 2nd and 99E (Share with ODOT)	250,000	2	
TOTAL	\$12,600,000		



**DOWNTOWN OREGON CITY/
END OF TRAIL AREA**

**URBAN RENEWAL PLAN
Oregon City, Oregon**

Boundary & Sub-Districts

1. End of Trail Area
2. Lagoon/Waterfront Redevelopment Area
3. Downtown
4. Park Place Interchange
5. Washington/7th Street Corridor
6. Heritage Center

November, 1990
Spencer & Kupper

CITY OF OREGON CITY

Incorporated 1844

REPORT

Oregonian
Dated

November 14, 1990

Page 1 of 1

Subject: Supplemental Report - Revised Revenue
Projections and Project Activities

Report No. 90-39

Attached is a report from Charles Kupper on revised revenue projections because of Measure 5 and suggested changes in project activities to reflect the reduction in revenue. Measure 5 will reduce the projected revenue to \$10.1 million over the 15 year planning period (1991 - 2005).

This will require a reduction of \$2.5 million in projects to balance with the projected revenue. Listed below are the suggested changes. The changes take into account the priority ranking and availability of revenue in each five-year phase of the planning period.

The following projects are being suggested to be dropped:

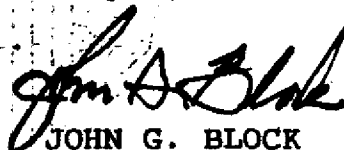
o Holcomb Boulevard Improvements	\$525,000
o 8th Street Dock and Restaurant	750,000
o McLoughlin Bluff Landscaping	200,000
o Library Park Amphitheater	50,000
o 2nd and 99-E Intersection Improvements	250,000

The following projects are being suggested to be reduced in size:

o Reuse of Courthouse reduced	500,000
o Downtown Parking reduced	<u>250,000</u>

TOTAL REDUCTION	<u>\$2,525,000</u>

Following public testimony the Agency should consider these and/or other changes and provide direction to include in the final draft of the Downtown Renewal Plan.



JOHN G. BLOCK
Executive Director

JGB:im

Attach.

cc: Charles Leeson, City Manager

URBAN RENEWAL AGENCY

Downtown Oregon City/End of Trail Area PRELIMINARY ESTIMATES - PROJECT ACTIVITY COST AND PHASING

DISCUSSION DRAFT ~~3~~4

KEY - Phase numbers represent five year time periods

Park Place	EST. COST	PHASE
Multi-Family Housing Development Assistance	\$ 150,000	~~1~~ 2
Park Place Sub-area Design Plan	30,000	~~1~~ 2
Lagoon/Waterfront		
Park Land Acquisiton	500,000	1
Land Assembly & Site Preparation Assistance	1,500,000	1
River Access Trail	100,000	~~1~~ 3
Main St. Reconstruction	440,000	~~1~~ 2
Agnes Ave. Reconstruction	700,000	~~1~~ 2
Tour Boat Dock & Marina	250,000	~~2~~ 3
Prepare Lagoon Redevelopment Plan	30,000	1
Clackamette Park Improvements	200,000	~~3~~ 1
End of Trail Area		
Road Improvements (Inc. R.O.W. and Acquis.)	1,250,000	~~1~~ 2
Parking Improvements & Site Preparation	750,000	~~1~~ 3
~~Helcolm Boulevard Improvements~~	~~525,000~~	~~2~~
Abernethy Creek Improvements	250,000	~~2~~ 3
Upgrade Fire Protection Services	375,000	~~2~~ 3
Downtown Core		
Assist Adaptive Re-use of Courthouse	~~1,000,000~~ 500,000	~~2~~ 3
Surface Parking	~~1,000,000~~ 750,000	~~2~~ 1
Facade Improvements	200,000	1/2
Streetscaping	50,000	1
Building Rehab Loans	300,000	2/3
Improve Willamette Falls Viewpoint	50,000	~~2~~ 1
Improve McLoughlin Blvd. Promenade	100,000	2
~~8th Street Dock~~	~~750,000~~	~~3~~
~~McLoughlin Bluffs Landscaping Program~~	~~200,000~~	~~2~~
Do Sub-area Design Plan	30,000	1
Transportation Linkage Study	100,000	~~2~~ 3
Washington-7th Corr.		
Parking Improvements	200,000	3
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Streetscape on 7th	100,000	3
Traffic Diversion - Washington St.	50,000	3
~~Assist City Amphitheater development~~	~~50,000~~	~~3~~
Library Restoration	300,000	3
Sub-area Design Plan	20,000	2
Heritage Center		
S. End Road Improvements (Shared Cost with County)	500,000	~~2~~ 1
~~Intersection Improvements 2nd and 99E (Share with ODOT)~~	~~250,000~~	~~2~~
TOTAL	~~\$12,600,000~~ 10,075,000	

November 13, 1990

To: John Block
From: Charles Kupper

Re: Tax Limitation Strategy - Downtown/End of Trails Project

As you requested last week, we are attaching a revised revenue projection and a revised schedule for project activities. The revenue calculations are based upon one of many interpretations that might be applied to POPS' effect on tax increment revenues. We would like to cover a number of issues in this memo, some relating to the development strategies and scheduling dictated by POPS, others to policy matters relating to plan adoption.

REVISED REVENUE PROJECTIONS

The revenues produced in a tax limitation scenario are based upon the new values we agreed upon last week, and a tax rate declining according to the provisions of POPS. Since taxes required to pay debt service on already-existing bonded debt will be allowed outside the POPS limitation, we are adding \$2 on to the maximum rates allowed under POPS. The lowest combined rate used in this scenario thus becomes \$17. We will address the uncertainty about these revenue calculations later in the memo.

REVENUE IMPACT OF TAX LIMITATION

The total ^{\$10.1 million} tax increment generated by the new values shown in the tax limitation cash flow scenario is ~~\$19.065 million~~ between 1991-2005. This contrasts with a total of \$19.065 million for the same values, same period using the current combined tax rate. Thus, tax increment revenues are reduced to 51.4% of the pre-POPS amount. The reduction in tax increment revenues also reduces the early bonding capacity of project values to less than \$2 million.

REVISED STRATEGY

The general development strategy is unchanged - first priority on expenditures is given to activities which are most likely to promote new taxable values. Thus, the primary emphasis remains one of concentrating early investments in the End of Trails and Lagoon areas. In the first five years of the project, each of those areas receives \$2 million worth of funding.

However, the reduced tax increment revenues now require choosing one of two strategic options - either eliminate project activities, or further extend the phasing of the renewal project. We have chosen to add a fourth 5 year phase to the project. We have put activities and expenditures least likely to produce new revenues into that fourth phase.

SPENCER & KUPPER

STRATEGY IMPACTS OF TAX LIMITATION

The strategic impacts of the tax limit stem mostly from the anticipated revenue reductions. **The most significant of all strategic impacts of the tax limitation is whether it will effect the End of Trails project.** The main thrust of the renewal plan's development strategy is based upon the assumption that the End of Trails Project will be implemented, and will act as a catalyst for development in that area. If the End of Trails project is killed or badly delayed, the entire development strategy of the renewal plan must be re-thought.

A definite impact of the reduced revenues is to require that the start of some project activities be delayed for ten or fifteen years. A significant number of projects and expenditures now get pushed ten to fifteen years into the future. The lengthy delays in turn raise questions about whether the expenditures and sub-area development strategies still will be appropriate fifteen or twenty years into the plan. One example of how delay can call the strategy into question is the required shift of the "Courthouse - Adaptive Reuse" project to year 2001. There is no way of knowing what the County will do with the Courthouse in the next ten years. The mere possibility of funding assistance is not likely to control County decisions on the Courthouse over that period. Should the Courthouse project then be dropped from the plan?

The funding delay raises the same kind of strategic questions in the "Washington-7th" and "Heritage Center" areas. Will the activities and relatively small expenditures scheduled for these areas make sense fifteen years in the future? Will the mere possibility of funding assistance help stabilize those areas in the short run?

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It was noted above that the revenue calculations are based on one set of assumptions about the final interpretation of how the POPS initiative will affect tax increment revenues. It should be noted that the method used here is NOT the methodology suggested by the AG opinion on POPS and tax increment financing. Any report on the Plan at this time must emphasize these uncertainties, and perhaps show two or more methods of calculating revenues under the POPS initiative.

Equally important, the method chosen for projecting tax increment revenues also reflects the assumptions on RENEWAL IMPACTS. The method chosen here makes the assumption that there will be a legal or legislative finding that ALL tax increment revenues fall outside the \$10 limit for local governments. That assumption produces a higher "local government" tax rate than \$10, but does not require a reduction in government bodies' general funds.

On the other hand, revenue assumptions based upon the AG opinion must also assume that tax increment funds will be considered a local "levy", and must fit within the \$10 limit. In order to accomodate this new "levy", other governmental bodies will be forced to reduce their own levies. Any report on a Plan should likewise take into account the differing interpretations of how tax increment impacts must be calculated.

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OREGON CITY URBAN RENEWAL AGENCY

There will be a meeting of the Oregon City Urban Renewal Agency on Wednesday, November 14, 1990 at 6:30 p.m. in the Commission Chambers, City Hall, 320 Warner-Milne Road, Oregon City, Oregon.

A G E N D A

1. Approval of August 29, 1990 minutes;
September 12 and October 10, 1990 work session minutes
2. Personal Services Agreement - Ryan Communications
3. End of the Oregon Trail Master Plan - Presentation by Ken Dauble, Project Manager. - 6:30 to 7:00 p.m.
4. Public Hearing - Downtown Renewal Plan Development Strategy and Project Activity Review.
5. Legal Opinion on Urban Renewal Funding for Police and Fire Services.
6. Review of Measure 5 Impacts - Report to Association of Oregon Redevelopment Agencies.

OREGON CITY URBAN RENEWAL AGENCY
AUGUST 29, 1990

A meeting of the Oregon City Urban Renewal Agency was held on the above date in the City Commission Chambers at City Hall, 320 Warner-Milne Road, Oregon City.

Those present:

David Spear, Chairman
Robert Light, Secretary
Dan Fowler, Board Member
Suzanne VanOrman, Board Member
Carol Powell, Board Member

John Block, Executive Director
Charles Leeson, Interim City Manager
Irmgard Marggi, Secretary

Also present was one member of the press and approximately 20 interested individuals.

The meeting was called to order at 7:05 by Chairman Spear, who requested approval of the August 8 minutes. It was moved by Light, seconded by Fowler, to approve the August 8, 1990 minutes.

Roll Call: Powell, abstain; Fowler, Aye; Light, Aye; VanOrman, Aye; Spear, Aye.

Report No. 90-27 - Red Soils Subdivision Status Report - was presented by John Block. He reported the Planning Commission recommended approval of the subdivision with conditions that were anticipated and are acceptable to the applicants.

Report No. 90-28 - Red Soils Purchase and Sale Agreement - The final version is being presented to the Agency. The Chairman asked who was involved in the final draft. Block responded that Scott Parker, Clackamas County Legal Counsel and Steve Salvey, Facilities Manager for Clackamas County, prepared the first draft; with some assistance from Gary Spanovich and Tom Vanderzanden of the Clackamas County Department of Transportation and Development. Randy Bateman, from the City Attorney's office, and staff prepared additional drafts of the agreement. It was noted that Dan Fowler and Ed Lindquist were present at some of the negotiations. Block commented there are three parts to the agreement:

1. The initial acquisition of approximately 14.78 acres;
2. An option for the Agency to acquire an additional approximately 15.38 acres;
3. The additional 15.38 acres will be executed following exercise of that option.

On discussion, Powell was concerned about the access road and Beaver Creek Road alignment wondering if this was deleted. It was stated this has been deleted; however, it will appear in a separate agreement. Powell had various concerns and during discussion it was stated the County had provided a high commitment to seek federal and state funding

from which the Urban Renewal Agency will benefit greatly. VanOrman stated that she was not advised on some of the negotiations being held; noting only one Commissioner was present, and having to read the information in the newspaper. She feels more communication is needed from the organization, rather than reading it in the newspaper.

Block responded that the negotiations were very involved, complex, difficult and frustrating - nothing was easy, and believes the Commission has been briefed as much as possible. Fowler responded by stating Block represented the City very well. In terms of Beaver Creek Road, the City got everything they wanted. It was his understanding, through his invitation from the County, that he was in a "balancing" position. Powell appreciates what has been accomplished thus far.

On the issue of Beaver Creek Road, a separate document will be better and easier to track. Clackamas County will provide staff to apply for a lottery grant. County has also agreed to make this a priority project. Chairman Spear commented there is a need to improve communications.

It was moved by Fowler, seconded by Powell, to approve the Purchase and Sale Agreement with Clackamas County involving the Red Soils Project.

On discussion the Agency was informed that Robert Randall Company is dedicating right-of-way at no cost. Sierra Vista and Danielson's will also be asked for dedication of right-of-way. If they do not wish to dedicate, then the property must be obtained by other means. Powell commented Randall benefitted greatly from donating the right-of-way. It was suggested this type of discussion should be withheld for an executive session.

Roll call: VanOrman, Aye; Light, Aye; Fowler, Aye; Powell, Abstain, Spear, Aye.

Report No. 90-29 - Red Soils Access Road Preliminary Engineering Status - Block presented information from maps on the wall, some of which had been provided by Lee Engineering. Block explained the subdivision is for the easterly 30 acres of the County property showing 9 parcels. Explanation of the access road and proposed driveways provided considerable discussion. It was noted the access road improvement is approximately \$250,000 over the budgeted amount and does not include right-of-way acquisition. Additional money would need to be borrowed to complete the access road. Considerable discussion ensued concerning the amount of lanes, driveways, curbs and sidewalks. After further discussion, it was agreed that engineering for the entire project be approved at this time, rather than in phases because it would probably be less costly to complete at this time. Carol Suzuki requested copies of the preliminary engineering. Spear indicated his desire to get this finalized "the sooner the better" and it is commendable that this point has been reached. VanOrman inquired if it will be less costly to do the engineering in full rather than in stages. The response was in the affirmative.

It was moved by VanOrman, seconded by Light, to authorize the final engineering.

Roll call: Powell, Aye; Fowler, Aye; Light, Aye; VanOrman, Aye; Spear, Aye.

Report No. 90-30 - Randall Business Park Status Report - Report was made that Wilson Choy, Project Manager for the Robert Randall Company, has indicated lenders are more conservative at this time than earlier this year. The Randall Company now plans to

begin the project next spring when their Tualatin project is expected to be completed.

Report No. 90-31 - Department of Revenue Opinion - The Department of Revenue has indicated that the Urban Renewal Agency can do what is desired, but it is up to the Clackamas County Assessor to do it. Ray Erland has been helpful thus far, as well as Ollie Norville. Mr. Norville is to meet with John Block tomorrow; then with Mr. Erland, thereby providing a resolution by Friday, August 31. The Department of Justice and Revenue have provided their o.k. Erland has agreed to do it, but must be done by September 7. If adopted, the Plan Amendment will be hand delivered to the Assessor's office tomorrow.

Block requested direction from the Agency on preparing to market Red Soils property. Ryan Communications has requested to do a target industry study that would be very helpful. Another firm, "Image" that has worked for state tourism, is available to develop a marketing brochure. No cost estimate has been provided by either firm. VanOrman wondered if there is a line item for this type of expenditure. There is a line item for these expenditures; however, there may be a problem of available funds.

Comment was made that two of the firms previously interested in Red Soils property have disappeared. The third firm will be contacted soon, and new contacts will be made with regard to earlier inquiries. Wes Wood, a local contractor, has indicated he has information on a very interested client and will be contacted.

It was moved by VanOrman, seconded by Fowler, that John Block be directed to gather information relative to marketing Red Soils.

Roll call: VanOrman, Aye; Light, Aye; Fowler, Aye; Powell, Aye; Spear, Aye.

There being no further business, the meeting was adjourned at 8:10 p.m.

Respectfully submitted,

ROBERT M. LIGHT
Secretary

OREGON CITY URBAN RENEWAL AGENCY

WORK SESSION

September 12, 1990

Those present: Dan Fowler, Board Member
Robert Light, Secretary
Carol Powell, Board Member
Suzanne VanOrman, Board Member
John Block, Executive Director
Charles Leeson, City Manager

Board Member Dan Fowler convened the executive session of the Oregon City Urban Renewal Agency pursuant to ORS 192.666. Executive Director John Block presented several items for consideration. He talked about receiving a letter from Ray Erland that provides information that the Agency will receive the tax increment monies that were previously in question. Comment was made that it appeared the Assessor's Office was not ecstatic about the decision; however, that office is under a tremendous amount of pressure and it was the consensus of the Agency that the right decision had been made. Upon receipt of the funds, the amount will be reflected in the Agency's budget thereby enabling projects to go forward.

Block summarized the Agency's efforts with regard to the Hilltop area. Block will attend the Board of County Commissioner's meeting in the morning and will compliment them on the "official" signing. Red Soils Access Road project will be proceeding; right-of-way dedication documents have been mailed out to all owners involved - Bedford Properties, Stein Oil, Sierra Vista, Danielson's and Randall. All have been requested to donate property because of their potential benefit from the road. Should any owner be unwilling to donate property, then the Agency must go through public acquisition; appraisal, appraisal reviews, and a dollar amount offer to purchase the necessary property. Should there be any refusal, then there remains the process of condemnation proceedings and a court established value. Block doesn't feel the owners will go the condemnation route because it is far too important a project and the owners are aware of this fact. The owners seem to be politically motivated to work with the Agency. However, if they do wish to be compensated, the Agency has the opportunity to measure the benefit of the road to their particular property. Danielson's will benefit from many road improvements, driveway approaches on the new road, drainage improvements and a new signalized intersection to be located between Key Bank and McDonald's. Some discussion ensued on the intersections leading into Danielson's Center.

Left-turn stacking has become an issue, and will undoubtedly require a six-lane roadway between Warner-Milne and Beavercreek Road. The extra lane is planned to be constructed on Wendy's side of Molalla Avenue. Much effort has been expended on the Hilltop area.

Focus turned to the new downtown plan. Block presented maps showing the proposed areas to be considered, as well as the 1983 boundary for downtown. Plans are to consider the lagoon area, Oregon City Shopping Center, Park Place interchange, and the End of the Oregon Trail. Block asked if the Agency would consider a Washington Street and 7th Street corridor for inclusion into the plan. One response was: Politically, no; aesthetically, yes. Block commented commercial rehabilitation along the 7th Street corridor could only be a win/win situation. Comment was made that if the Agency doesn't do anything there, nothing will happen because it has been this way for 20 years. Another concern voiced was that the various historical societies might be able to tap into tax increment funds for their needs if a two-block width is considered for the 7th Street corridor. It was noted that project lists, for both corridors, will be the determining factor for community support. It was suggested the Old Home Forum be involved in the project selection. Block further suggested that the Canemah area be included, as well as the High Street area. South End Road is in need of improvement. Clackamas County does not intend to improve this road even though they have been requested to do so for at least 2 years. If the Agency would improve South End Road and complete the Warner-Parrott realignment project, traffic could be diverted off 5th Street and Linn Avenue. Comment was made that involvement of the community in the various projects is a wise move.

Discussion ensued on the formation of L.I.D. projects in some of the project areas, and it was commented that URA funds might be a leverage, in the form of match funding, to initiate such improvement districts.

Park Place interchange needs re-development. On the original plan one of the proposed sites for County offices is located in the north; and also included is the lagoon, water front, Oregon City Shopping Center expansion and End of the Trail. Many of the 1983 projects will remain in place because they are good projects. McLoughlin - Second Street intersection and installation of signals could be an additional project improving the South End Road connection. In total, 10 projects were identified. The next steps in the process are to refine the boundaries; identify projects in priority order; preparation of a cash flow analysis, presentation to the Advisory and Enhancement Committees, and finally presentation to the special interest groups. All available information to be presented to the Agency, in the form of a draft, probably by the end of October or early of November. An ordinance needs to be adopted prior to January 1, 1991. There is a need to communicate that the "rush is on" in order for tax benefits to be received. There is a definite need for community involvement, yet the Agency does not want to project an image of being too hasty. Approximately 800 acres are to be included in the downtown area. By adding the 180+ acres from the Hilltop, a total of approximately 18% of the land area in Oregon City would be designated urban renewal. The allowable area for urban renewal is 25%. Discussion ensued on possibilities. It was agreed that the area is due for renewal by age alone.

It was noted that Beavercreek Road realignment will be a time-consuming project and an effort will be made to procure lottery funds. County has agreed to assist in obtaining such funding.

Sewer Treatment Plant Negotiation Status - Moore Interest Inc., has indicated they are too busy to undertake the project. Howard Moore, along with 2 partners, developed Kruse Way in Lake Oswego. A broker commented there may have been concerns about the price of the property as well as the ability to build a restaurant on the property. In talking with Moore, Block was had the feeling that Moore perceived the project to be an exciting one, but did not have time to do it. Trammel-Crow appears to be interested; however, they are still dealing on the shopping center. If they should purchase the shopping center, they intend to upscale and add to the center. Hotel developer (Quality Inn) is still interested in 2 acres; their broker is to present an offer soon. Financing for hotels seems to be a problem at this time. Bids for demolition of the plant will be opened on September 18 and should be awarded shortly after opening. The Penrod property is in the process of being cleaned up to provide a better view of the river. Other improvements to the area include grading and filling; the State is building a new bridge; Park and Ride is to be improved; and the fire training tower is to be removed. It was noted there is a need to be prudent concerning the amount of land that may be given up in terms of hotel/restaurant needs; that Tri-Met should not come first. Another concern is that Park and Ride may make the property more difficult to sell.

Urban Renewal gave direction to proceed on discussions with Dakota Minerals some time ago. Two letters of intent were submitted to the Bankruptcy Court in Wyoming. The Bankruptcy Court and the attorneys in Portland could never get a good response to us. Granted, not much money, (subject to Urban Renewal Agency approval), was offered. They have gone through at least two brokers that legitimately had listing agreements on the property, as well as two that didn't. Four different realtors have discussed the property; one came wanting to do a deal; however, upon contacting the Portland attorney the information was that the Bankruptcy Court had just revoked their listing. Block has been disappointed with the real estate brokers. The latest broker involved is Mike Ragsdale. One of the dilemmas of the Bankruptcy Court is there are existing leases; they have a 50% other interested party; and they don't know whether to split up and sell in pieces. Our latest offer was to buy the westerly part and Clackamas River frontage, containing approximately 15 acres. They have stated they would be willing to sell for \$1.3 million dollars, or approximately \$1.71 per square foot. Considerable discussion ensued with reference to the flood plain. Block commented this is a unique opportunity because it is a privately owned area. A marina and floating restaurant could be developed; however there is need to establish an irrevocable right to the water way.

A proposed plan could be that at the time the treatment plant property is sold, a deal could be closed on the Dakota Minerals property. All property could initially be bought as park use; then a portion could be sold for marina/hotel/restaurants; applying those proceeds toward further improvements. This could take at least 6 months to accomplish. Mike Ragsdale's only concern is that Mr. Abel is very ill and would like to settle his estate before he dies. An earlier close, than the anticipated 6 months time period, may be expected by the seller. The Assessor's office has placed a valuation of \$1 million on the entire lagoon area. This item will come up for City Commission discussion next Wednesday. Considerable discussion ensued on use and access for the property. It was noted that control of the land is necessary, but it will be a long-term project, and by purchasing now, before redevelopment occurs, the cost will not be prohibitive.

Request is for the Agency to provide authorization to offer the Bankruptcy Court \$1.3 Million for 15 acres, contingent upon the sale of the old Sewer Treatment Plant property, and to seek as much time as possible for closure. If the lagoon develops, or the Shopping Center is expanded, the Agency will realize considerable funds. Realization of such funds will enable the Urban Renewal Agency to become a "player".

When selling the idea to dispose of the Sewer Treatment Plant property to the public, the Commission promised that the Penrod property would be dedicated as park property. This has been done. Another promise was to expand Clackamette Park; acquisition of the 15 acres would aid in the park expansion. Comment was made that if not all promises are kept within the first year of acquiring the Dakota property, something should be done to show good faith. To get an idea, there is a million one here, 700 Park, 400 City. This is a million three, maybe we put 500 thousand or whatever it is for park aside; keep 200 thousand out to redo Clackamette Park and the other waterfront. The other 400 thousand then let URA borrow against that 400 thousand from City funds to be paid back from proceeds; then borrow whatever additional 100 thousand, or so.

Question was raised whether there is any update on the James River strip? It was reported that property is not highly valued. Multnomah County and West Linn have recently received portions of property from James River. Concern was expressed regarding the current fill permit. This will need to be researched with the Division of State Lands. It is already established that there has been filling and Block's suggestion of continuing the filling makes a lot of sense to the board members.

General direction was given to proceed, and return with a proposal at a public meeting. It was agreed that a proposal can be made prior to signing a sale agreement with input on conditions that the Agency desires to include.

Some discussion ensued on the new criteria for Wetlands according to the State. These are believed to be:

1. Vegetation,
2. Standing water,
3. Presence of wild life.

Is there any possibility of the City of Gladstone relinquishing their water tower across the river? No further comment has been received from Gladstone on a letter requesting the clean up of the property, or donation to Oregon City. Their Council met in August, but Block is not sure of the total direction that was given. He thinks instructions were given to obtain costs on demolition. Other sources indicate there are individuals interested in leasing that site. Gladstone may have some value invested in that particular property. Oregon City sold the property to Gladstone during the 1950's.

Discussion centered on Lone Star, who has consolidated all their business to the Oregon City location. At one time Lone Star barged in aggregates; presently this material is being trucked in, and by August 1992 they intend to move the asphalt plant to this location. Lone Star will be "grandfathered" into this site.

Further comments were "there needs to be borrowing in the beginning, but eventually there will be 'tons of money'"; and "this is exciting".

Block was thanked for his presentation and requested to provide a developer for the Lagoon before end of the meeting.

Respectfully submitted,

OREGON CITY URBAN RENEWAL AGENCY

October 10, 1990

A meeting of the Oregon City Urban Renewal Agency was scheduled for the above date at 6:30 p.m., in the City Commission Chambers at City Hall.

Those present: Robert Light, Secretary
 Carol Powell
 John Block, Executive Director
 Irmgard Marggi
 1 member of the Press

Because there was not a quorum present, the meeting was opened at 6:45 p.m. and considered to be a workshop.

C. Southwick, Ryan Communications, and Thomas W. Shannon, Image Analysis gave a presentation. Mr. Shannon provided information that Image Analysis is an agency that would determine the "pros" and "cons" of a property in order to sort out prospects, do follow-up, and contact prospective buyers. In addition, they determine the closeness of the match of what their Agency feels are good businesses to attract. It would be an ongoing project to establish a generic list that will eventually develop into more refined lists. There are no guarantees that a business will be attracted; however, they do provide a target at which to aim. Image Analysis would attempt to give Red Soils its own unique "face", and try to determine what type of marketing is needed.

Ryan Communications has worked in marketing for some time and have concrete programs that have worked. They are the agency of record and have done marketing for the Willamette Falls Hospital (Birthing Center). Some of their functions are to provide public relations publicity opportunities, and to give press releases to geographic areas. They also do "market softening", and plan to make announcements prior to final project completion that a project exists. Direct mailing and follow-up, brochures, and sales support are also a part of the service. Ryan Communications would provide small support advertisements to create curiosity; through this means the name would be "out there". This is not a short-term project and will need a one-year time frame implement.

Powers suggested re-naming the project because of negative connotations. Mr. Shannon expressed his thoughts that it is a very interesting name from a marketing standpoint. If, in the future, it is found the name "Red Soils" is negative, recommendations for a name change would be presented. Light commented this is commendable that we are going this direction. Block responded that whatever we do, with marketing Red Soils, that we do it right. The Agency needs a success for Red Soils. This is a must if direct sales are to be realized because working with brokers is limiting and expensive. If a contract is negotiated with Image and Ryan it would cost in the vicinity of \$89,000, with the cost to be divided over two years. Brokers fees are 10% on vacant land.

Powers requested the strategy for budget purposes when formal presentation is made in November. Block stated it may be necessary to prepare a supplemental budget. Light requested Block pursue Ryan Communications for marketing. It was reported Ryan Communications is one of the top firms in the Northwest. They will also benefit the Urban Renewal Agency because they are familiar with the community. The representatives of both Ryan and Image were heartily thanked for their fine presentation.

Staffing Report - Due to the increased work load for the Urban Renewal Agency, Block requested assistance from the Associate Planner on a half-time basis at a cost of \$14,214 per year. The Planning Department would realize the savings and be able to hire a part-time Planner. Block will work with the City Manager and City Commission on this matter. There will be sufficient funds for this request.

Tax Certification Report - The Assessor's office worked diligently on this project. This effort will provide approximately \$155,000 to the Agency in November.

Red Soils Financing - Proposals have been received from Seattle Northwest and Security Pacific. Seattle Northwest is presently arranging L.I.D. financing for the City.

The Agency had \$45,000 to begin the year, and is expected to receive \$155,000 in tax receipts. Anticipated expenditures for the budget year are as follows:

- 7,600.00 salary for the Executive Director
- 14,200.00 1/2 salary for Associate Planner
- 40,000.00 Image Analysis
- 10,000.00 Materials & Services
- 70,000.00 Lee Engineering (Construction Financing) *
- 740,000.00 Red Soils Acquisition *
- 550,000.00 Access Road Construction *
- 300,000.00 Clairmont Club Purchase Repayment *

* These items will be part of the borrowing process.

Security Pacific can do short-term internal borrowing and would provide \$740,000 for Red Soils acquisition now, and \$550,000 for the road project in the future. The loan would be secured on the property. This arrangement appears to be very conservative; however, the Agency will still be o.k. if "pops" passes in November. They will waive the loan fee if a first right is given on future borrowing.

The second proposal would be a tax free qualified bond sale. Seattle Northwest is a broker that packages bond sales to private investors. They recommend a \$2 million bond issue for 10 years at 7.5% fixed rate at a cost of \$206,000 per year in debt service. A bond issue would be cleaner than a short-term borrowing, but it would have bond costs. The tax increment revenue would pay the debt service cost. Any debt service would be paid before any other funds are spent by the Agency. Block is leaning toward a bond issue and will contact the other financial institution for a complete proposal. Powell is more comfortable with committing to a fixed interest rate.

Access Road - Danielson's are willing to dedicate the right-of-way, but they want benefits too. Randall has committed, and the County will assist in seeking lottery funds. Right-of-way dedications are still needed from Sierra Vista, Stein Oil, and Bedford properties. If the dedications have not been received before the November meeting, then public acquisition should be started. A problem with Sierra Vista is that they do not get much benefit. Suggestion was made that noise buffers could be constructed for Sierra Vista. Block said it was a good idea and would keep that in mind during negotiations.

Downtown Plan - The proposed plan has been presented to the Downtown Association, Enhancement Committee, Urban Renewal Advisory Board and the City's Department Directors. Presentations still to be made are to the Old Home Forum, O.C. 2000, Oregon City School Board, and as many civic clubs as can be arranged. The need is to establish a boundary and direction on projects. A draft plan will be available by mid-November; it needs to be approved at the November 28 Planning Commission public hearing, then a special City Commission meeting is to be held on November 29th for adoption. Televising of meetings should be helpful in obtaining citizen participation, and media participation would be appreciated.

The scheduled executive session was cancelled.

The Agency was advised of Peter Schnell's resignation from the Urban Renewal Advisory Board. A letter of appreciation will be mailed to Pete. Of the three applications on file for a position on the Advisory Board, one application was attached to the report. Powell commented that the vacant position should be advertised.

There being no further business, Powell called the meeting to a close at 7:55 p.m.

Respectfully submitted,

ROBERT M. LIGHT
Secretary

OC's URA workshop is planned

By Michael Dale
News Editor for The Review

OREGON CITY — Residents here will have the opportunity to give comments on a \$19 million urban renewal wish list at a public workshop scheduled for Wednesday, Nov. 14.

The meeting will be at 6:30 p.m. at City Hall, 320 Warner Milne Road.

The project list was presented to the city's Urban Renewal Agency board of directors by agency director John Block at a recent meeting. The agency board is composed of all five city commissioners.

The list includes three dozen potential renewal projects in seven areas: Park Place, Clackamette Lagoon, the waterfront, the Oregon City Shopping Center area, the End of the Oregon Trail Showcase area, the north end of downtown, the core area of downtown, the Washington-Seventh streets corridor, and the area surrounding the Trails' End Heritage Center of the Clackamas County Historical Society.

Project ideas range from acquiring the Clackamas County Courthouse for \$2 million to creating, for \$30,000, a plan for the development of the lagoon.

The seven areas listed are components of a planned north end-downtown renewal district. The area now has an assessed value of \$40 million. If all the potential improvements were made, and corresponding private development occurred, the assessed value in the district would more than double to \$89 million, Block told the board.

Block introduced the list by stating that its purpose was to start setting priorities about how much public investment should be made in the area.

Commissioners Carol Powell and Bob Light both expressed concerns about the tax revenue consequences of having two large renewal districts in the city at the same time.

In renewal districts, assessed values are frozen at the time the district is formed. Consequent increases above the freeze level

generate tax revenues for the district and not other agencies, such as the city or schools. After a fixed period, the renewal district is dissolved and those agencies then receive the benefit of any increase in assessed value.

Police Chief Richard Martin noted that the proposed renewal areas would, when developed, generate increased public safety needs but not, initially, provide any funding to meet those needs.

"It could well be that this list is too much," responded Block to the commissioners and chief. "Maybe we start with a smaller investment of \$10 million rather than \$18 million. . . it will come down to what you and the community are comfortable with."

The group decided that each board member would rank the potential projects according to importance, and those results would be compiled and then reviewed by the board.

The city renewal agency is currently developing several projects at its existing renewal district in the Hilltop neighborhood.

Phillips Apparel closes shop in Oregon City

Another shop bites the dust

By Michael Dale
News Editor for The Review

OREGON CITY — Main Street and downtown will lose yet another retail business at the end of this year. Geoffrey Salberg, owner of Phillip's Ladies Apparel store, announced last week that he will be closing the business in about two months.

He started his going-out-of-business sale Tuesday. "We will have to stay open through the holidays," Salberg said. "We have merchandise on order for then that we can't cancel, so I expect we will close the doors right after the holidays."

The business has been on Main Street in downtown for 40 years, and it has been at its present location, the southeast corner of the intersection of Main and Seventh, since 1968.

The business was founded by Geoffrey's father, Philip. (The senior Salberg's first name is spelled with one "l"; the store name is spelled with two.)

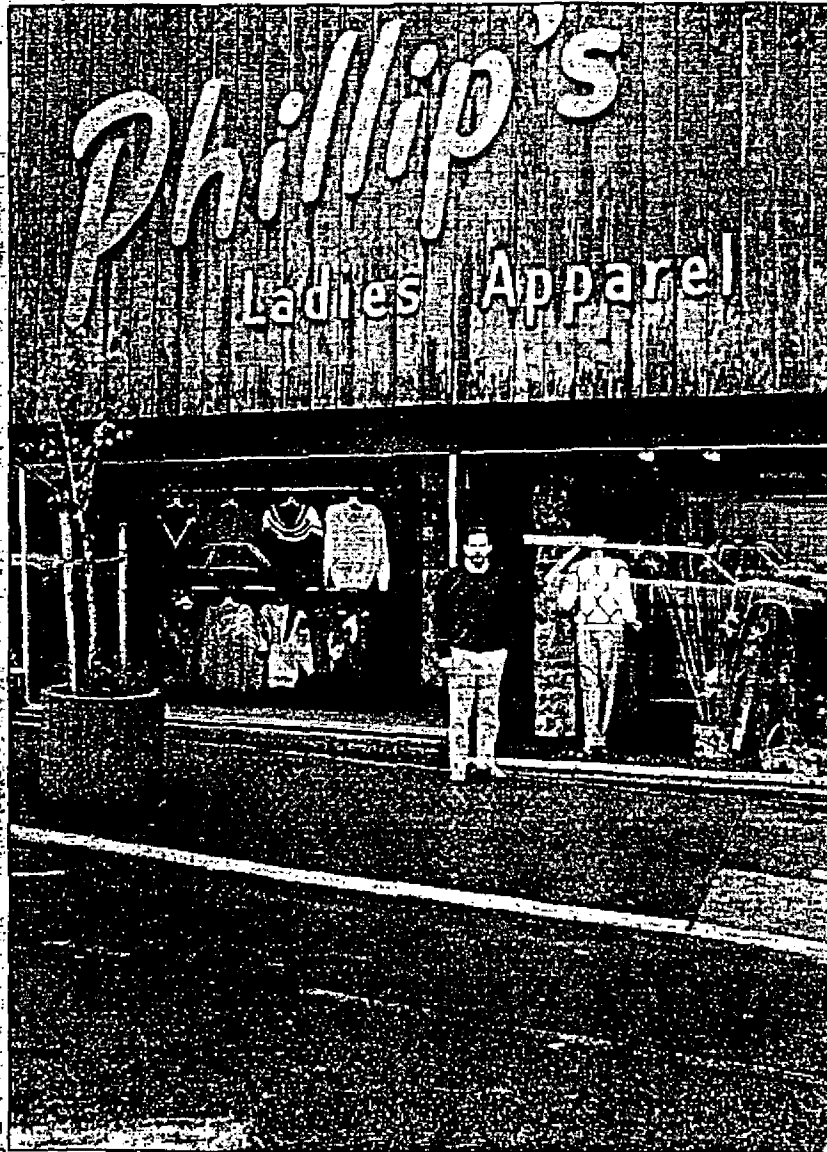
Geoffrey took over the business from his father in 1977.

"Oregon City used to be alive and a real retail center," he said, "but that is no longer the case. It has lost its retail feeling."

Though the Salberg family resided in Portland, Geoffrey, because of the store, spent most of his youth here. "I grew up on Main Street and in Oregon City. I remember moving sandbags over there during the big flood," he said while pointing to the nearby Willamette River, which crested at 48 feet above normal during the Christmas Flood of 1964.

Salberg, 40, said a lack of business was forcing him to close down, and he attributed that lack to a number of factors, including the general decline of retail on Main Street and the fierce competition in his industry.

"Oregon City used to be alive and a real



SHUTTING DOWN — Geoffrey Salberg, owner of Phillip's Ladies Apparel in downtown Oregon City, last week announced he was closing the 40-year-old business. Salberg, who took over the store from his father, cited competition with discount houses and malls, and changes in consumer buying habits, as reasons for the significant drop in business that led to his decision.

Michael Dale/THE REVIEW

retail center," he said, "but that is no longer the case. It has lost its retail feeling."

He said his shopper traffic and sales volume today are about one-third of what they were 10 years ago.

The clothier also noted that consumer buying habits have changed in such a way as to put the stand-alone retailer at a disadvantage. "Consumers don't go downtown anymore," he said. "They go to malls, or giant discount stores instead."

Today's consumers also do not want to pay full price, and they expect everything to be on sale, he added. "The little guy can't compete with the Town Centers and the Fred Meyers and the strip malls," he said.

The business has been on Main Street in downtown for 40 years.

As for downtown and its general deterioration, Salberg doesn't have any specific remedies, though he did say he didn't think retail would ever make a comeback in the area unless Clackamas County consolidated its offices there.

Salberg is the latest in a long stream of retailers who have left downtown. About this time last year, Matile's Men's Shop closed its doors for good; in business for 30 years, Matile's was located on Main Street a block north of Phillip's.

The ladies' clothier said Main Street is now a poor location only for retailers. "I think service businesses will remain strong downtown, at least Monday through Friday, because they are used by the county employees and visitors to the (Clackamas County) Courthouse."

Salberg made his decision to close at the end of this summer, after selling the Phillip's building to the owner of the music store that stands next to the apparel shop. "We had to face reality sooner or later," he said. "You can't be blind to the type of business situation we had here, and things were not getting any better."

He has no immediate plans for another business or job. "This has been my life," he said of the store, "and now I have to make some drastic changes."

CITY OF OREGON CITY

Incorporated 1844

Dated

November 14, 1990

REPORT

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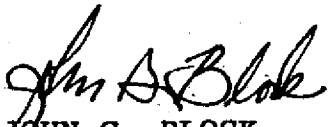
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Subject: Personal Services Agreement
Red Soils Marketing Program

Report No. 90-36

On the November 14, 1990 Urban Renewal Agency agenda is a personal services agreement with Ryan, Hutchins, Arthur, Southwick Advertising Public Relations for Agency approval. The agreement and scope of services were discussed at work sessions on October 10 and October 24.

It is recommended the Agency adopt a motion approving the agreement and authorizing the Executive Director to execute on behalf of the Agency.


JOHN G. BLOCK
Executive Director

JGB:im

cc: Connie Southwick, Consultant

URBAN RENEWAL AGENCY

PERSONAL SERVICES AGREEMENT

THIS AGREEMENT is between the OREGON CITY URBAN RENEWAL AGENCY (Agency) and Ryan, Hutchins, Arthur, Southwick Advertising Public Relations (Contractor).

A. Agency requires services which Contractor is capable of providing, under terms and conditions hereinafter described.

B. Contractor is able and prepared to provide such services as Agency requires, under those terms and conditions set forth.

The Parties Agree as Follows:

1. Term. The term of this Agreement shall be from November 15, 1990 to September 30, 1991, unless sooner terminated pursuant to provisions set forth below.

2. Scope of Services. Contractor's services under this Agreement shall consist of the following:

See attached Exhibit "A", Scope of Work

3. Contractor Identification. Contractor shall furnish to Agency its employer identification number, as designated by the Internal Revenue Service, or Contractor's social security number, as Agency deems applicable.

4. Compensation.

a. Agency agrees to pay Contractor on a monthly basis for the services required. Total compensation, including reimbursement for expenses incurred, shall not exceed \$89,000.

b. Agency agrees to pay Contractor within 30 days after receipt of Contractor's itemized statement. Amounts disputed by the Agency may be withheld pending settlement.

c. Agency certifies that sufficient funds are available and authorized for expenditure to finance costs of the Agreement.

5. Contractor is Independent Contractor.

a. Contractor's services shall be provided under the general supervision of the Executive Director, or his or her designee, but Contractor shall be an independent Contractor for all purposes and shall be entitled to no compensation other than the compensation provided for under Paragraph 4 of this Agreement.

b. Contractor certifies that it is either a carrier-insured employer or a self-insured employer as provided in Chapter 656 of Oregon Revised Statutes. Contractor will provide proof of compliance with the requirements of workers' compensation coverage before labor under this contract commences.

c. Contractor acknowledges responsibility for liability arising out its negligent performance of this Agreement and shall hold harmless and indemnify Agency, its officers, agents and employees for any and all liability, settlements, loss, costs, and expenses in connection with any action, suit, or claim resulting or allegedly resulting from contractors negligent performance of activities under or services provided pursuant to this Agreement.

6. Early Termination.

a. This Agreement may be terminated without cause prior to the expiration of the agreed-upon term:

(1) by mutual written consent of the parties.

(2) by either party upon 30 days' written notice to the other, delivered by certified mail or in person.

b. Upon receipt of notice of early termination, Contractor shall immediately cease work and submit a final statement of services for all services performed and expenses incurred since the date of the last submittal of a statement of services.

c. Any early termination of the Agreement shall be without prejudice to any obligation or liabilities of either party already accrued prior to such termination.

d. The rights and remedies of Agency provided in this Agreement relating to defaults by Contractor shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

e. Any delay resulting in whole or part from the failure of Agency to perform its responsibilities under this Agreement or from causes beyond the control of the parties will result in a corresponding extension of the schedule for project completion.

7. Cancellation for Cause.

Agency may cancel all or any part of this contract, effective upon delivery of written notice to Contractor by certified mail or in person, if Contractor fails to provide services called for by this Agreement within the time specified or any extension thereof; if Contractor fails to perform any of the other provisions of this Agreement, or fails to pursue the work of this Agreement in accordance with its terms after receipt of 10 days written notice from the Agency; or in the event of any of the following:

Insolvency of Contractor; voluntary or involuntary petition in bankruptcy by or against Contractor; appointment of a receiver or trustee for Contractor; or an assignment for benefit of creditors of Contractor. Damages for breach shall be those allowed by Oregon law, reasonable and necessary attorney fees, and other costs of litigation at trial and upon appeal.

8. Subcontractors and Assignment. Contractor shall neither subcontract any of the work, nor assign any rights acquired hereunder, without obtaining prior written approval from Agency. Agency, by this Agreement, incurs no liability to third persons for payment of any compensation provided herein to Contractor.

9. Access to Records. Agency shall have access to all books, documents, papers and records of Contractor which are pertinent to this Agreement for the purpose of making audit, examination, excerpts and transcripts.

10. Work is Property of Agency. All work performed by Contractor under this Agreement shall be the property of Agency.

11. Adherence to Law.

a. Contractor shall adhere to all applicable laws governing its relationship with its employees, including but not limited to laws, rules, regulations and policies concerning workers' compensation, and minimum and prevailing wage requirements.

b. Contractor shall not discriminate based on race, religion, color, sex, age, national origin, marital status, political affiliation or handicap condition. Contractor shall adhere to all applicable laws, regulations and policies relating to equal employment opportunity, nondiscrimination in services and affirmative action, including all regulations implementing Executive Order No. 11246 of the President of the United States, Section 402 of the Vietnam Readjustment Assistance Act of 1974, and Section 503 of the Rehabilitation Act of 1973.

12. Professional Standards. Contractor shall be responsible to the level of competency presently maintained by others practicing in the same type of work in Agency's community, for the professional and technical soundness, accuracy and adequacy of all work and materials furnished under this authorization.

13. Modification, Supplements or Amendments. No modification, change, supplement or amendment of the provisions of this Agreement shall be valid unless it is in writing and signed by the parties hereto.

14. Indemnity and Insurance.

A. Indemnity - The Contractor acknowledges responsibility for liability arising out of the Contractor's performance of this Agreement and shall hold the Agency, its officers, agents, consultants and employees harmless from and indemnify them for any and all liability, settlements, loss, costs, and

expenses, including attorney's fees, in connection with any action, suit, or claim caused or alleged to be caused by the acts, omissions, activities or services by the Contractor, or the agents, consultants or employees of the Contractor provided pursuant to this Agreement, including those cases in which the Agency is liable or alleged to be liable because of its employment of the Contractor.

- B. Workers Compensation Coverage - The Contractor certifies that the Contractor has qualified for Workers Compensation as required by the State of Oregon. The Contractor shall provide the Agency, within ten (10) days after contract execution, a certificate of insurance evidencing coverage of all subject workers under Oregon's Workers Compensation statutes. The certificate and policy shall indicate that the policy shall not be terminated by the insurance carrier without thirty (30) days' advance written notice to the Agency. All agents or consultants of the Contractor shall maintain such insurance.
- C. Comprehensive General and Automobile Insurance - The Contractor shall maintain comprehensive general and automobile liability insurance for the protection of the Contractor, and the Agency, and for their directors, officers, agents, and employees, insuring against liability for damages because of personal injury, bodily injury, death, and broad form property damage, including loss of use, and occurring or in any way related to the Contractor's operations, each in an amount not less than \$1,000,000 combined single limit per occurrence/annual aggregate. Such insurance shall name the Agency as an additional insured with the stipulation that this insurance, as to the interest of the Agency, shall not be invalidated by any act or neglect or breach of contract by the Contractor.
- D. Errors and Omissions Insurance - The Contractor shall provide the Agency with evidence of professional errors and omissions liability insurance for the protection of the Contractor and its employees, insuring against bodily injury and property damage arising out of the Contractor's negligent acts, omissions, activities or services in an amount not less than \$500,000 combined single limit. The Contractor shall maintain in force such coverage for not less than three (3) years following completion of the Project. Such insurance shall include contractual liability.

Within ten (10) days after the execution of the Agreement, the Contractor shall furnish the Agency a certificate evidencing the dates, amounts, and types of insurance that has been procured pursuant to this Agreement. The Contractor will provide for not less than thirty (30) days' written notice to the Agency before the policies may be revised, cancelled, or allowed to expire. The Contractor shall not alter the terms of any policy without prior written authorization from the Agency. The provisions of this subsection apply fully to the Contractor, and its consultants and agents.

15. Integration. This Agreement contains the entire agreement between and among the parties, integrates all the terms and conditions mentioned herein or incidental hereto, and supersedes all prior written or oral discussions or agreements between the parties or their predecessors in interest with respect to all or any part of the subject matter hereof.

16. Legal Expenses. In the event legal action is brought by Agency or Contractor against the other to enforce any of the obligations hereunder or arising out of any dispute concerning the terms and conditions hereby created, the losing party shall pay the prevailing party such reasonable amounts for attorneys fees, costs and expenses as may be set by the court. "Legal action" shall include matters subject to arbitration and appeals.

17. Severability. The parties agree that if any term or provision of this Agreement is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected.

18. Number and Gender. In this Agreement, the masculine, feminine or neuter gender, and the singular or plural number, shall be deemed to include the others whenever the context so requires.

19. Captions and Headings. The captions and headings of this Agreement are for convenience only and shall not be construed or referred to in resolving questions of interpretation or construction.

20. Calculation of Time. All periods of time referred to herein shall include Saturdays, Sundays and legal holidays in the State of Oregon, except that if the last day of any period falls on any Saturday, Sunday or legal holiday, the period shall be extended to include the next day which is not a Saturday, Sunday or such a holiday.

21. Notices. Any notices, bills, invoices, reports or other documents required by this Agreement shall be sent by the parties by United States mail, postage paid, or personally delivered to the addresses below. All notices shall be in writing and shall be effective when delivered. If mailed, notices shall be deemed effective forty-eight (48) hours after mailing, unless sooner received.

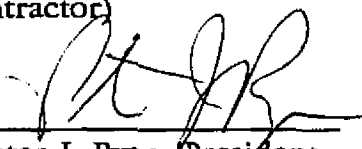
22. Nonwaiver. The failure of Agency to insist upon or enforce strict performance by Contractor of any of the terms of this contract or to exercise any rights hereunder shall not be construed as a waiver or relinquishment to any extent of its rights to assert or rely upon such terms or rights of any future occasion.

AGENCY: John G. Block, Executive Director
Oregon City Urban Renewal Agency
320 Warner-Milne Road
Oregon City, Oregon 97045

CONTRACTOR: Ryan, Hutchins, Arthur, Southwick Advertising
Public Relations
River Forum I, Suite 301
4386 S. W. Macadam Avenue
Portland, Oregon 97201-6423

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly appointed officers.

(Contractor)

By 
Peter J. Ryan, President

Oregon City Urban Renewal Agency

By _____
John G. Block, Executive Director

EXHIBIT "A"

RED SOILS MARKETING PROGRAM

SCOPE OF SERVICES

			<u>Tentative Schedule</u>
I.	Promotional Strategy	\$4,000	11-15-90 to 12-15-90
A.	Conduct a series of 15 Focus One interviews with key business and community leaders, members of state tourism and development organizations, and other key individuals.		
B.	Evaluate interview results and provide a report identifying the City's resources and promotional opportunities, problems and market realities.		
II.	Target Industry Study	\$9,000	1-15-91 to 3-15-91
A.	Determine the primary amenities and characteristics that are unique to the Red Soils Industrial Park.		
B.	Determine the likely industries that would make viable tenants (selection by SIC codes)		
C.	Conduct an on-line data base search and review of fabricator/manufacturer directories.		
D.	Select preliminary list of target groups and industrial companies and review with City.		
E.	Design and implement a survey of the reviewed companies to determine contact and key personnel, required site amenities and likelihood of relocation.		
F.	Interview and qualify final crossection of companies and provide City with pertinent leads.		
G.	Prepare a final report summarizing the findings and recommendations of the target industry effort.		

SCOPE OF SERVICES

Page 2

Tentative Schedule

III.	Marketing Support Activities	\$76,000	11-15-90 to 12-15-90
A.	Review and make recommendations on the print and electronic media to use in marketing Red Soils to the target area of Clackamas County, Portland and Southwest Washington.		
B.	Prepare and distribute press releases on the Red Soils development to the selected media: 1. Announcing the land acquisition (Jan. 1991) 2. Announcing the start of construction (Apr. 1991) 3. Announcing the first tenant (July 1991, est.)		
C.	Conceptual development, design and complete production of a two to three color sales presentation collateral.		2-15-91 to 3-15-91
D.	Conceptual development, design and complete production of a multi-impact direct mail effort with integrated follow-up. The number of impacts will be no less than two and no more than four. Direct mail list costs are not included; the target list will be generated by Image Analysis research and client compilation.		3-15-91 to 4-15-91
E.	Design and camera-ready production of a small support print advertisement, for limited placement in select media. The agency will determine the best media placement for the ad, schedule the ad and perform all necessary paperwork and confirmation activities.		4-15-91 to 5-15-91
F.	Other follow on support services as authorized by City within remaining budget		7-1-91 to 9-30-91

CITY OF OREGON CITY

Incorporated 1844

Dated

November 14, 1990

REPORT

Page 1 of 1

Subject: Public Hearing - Downtown
Renewal Plan Development Strategy
and Preliminary Projects

Report No. 90-38

On the November 14, 1990 Agency agenda is a public hearing to review and take public testimony on the proposed Downtown Renewal Plan Development Strategy and Project Activities. Attached are copies of both, together with a proposed district boundary and subdistrict area map for review.

Also attached are the results of the Project Activities priority survey that the Agency Advisory Committee and Agency Board members completed.



JOHN G. BLOCK
Executive Director

JAB:im

Attach.

cc: Charles Leeson, City Manager

URBAN RENEWAL AGENCY

DOWNTOWN OREGON CITY/END OF TRAIL AREA URBAN RENEWAL PLAN

DEVELOPMENT STRATEGY

Second Draft
November 6, 1990

The Urban Renewal Plan will implement an overall development strategy for the Downtown Oregon City/End of Trail Area. The development strategy is based on the problems and opportunities found in several sub-districts within the plan area, and the available of revenues over time needed to carry out project activities within each sub-district. The strategy also relies on additional design and planning activities throughout the duration of the plan to further define a vision and specific project activities for sub-districts. The sub-districts are: Park Place Interchange; Lagoon/Waterfront Area; End of Trail Area; Downtown; Washington-7th Corridor; and Heritage Center.

Overall Strategy

1. Assist in preparing plans, comprehensive plan amendments and zoning changes in order to implement the End of the Oregon Trail Center Plan and related tourist commercial developments. When these plans and amendments are approved, amend this urban renewal plan to include project activities in support of these plans and amendments.
2. Direct short-term (0-5 years) public investments into areas with the greatest development and redevelopment potential. These areas are the End of Trail, and Lagoon/Waterfront Area.
3. Establish on-going business assistance programs in the Downtown area in the short-term which are designed to improve the downtown streetscape and building facades for existing building owners and tenants.
4. Direct mid-term (6-10 years) and long-term (11-15 years) public investments in Downtown, Park Place, Washington/7th Corridor and Heritage Center to support existing commercial and residential uses, and to stimulate new private investment.

Sub-District Strategies

1. End of Trail. Pubic improvements are needed to support the End Of Oregon Trail Center. The EOT Center will contain an interpretive center, outdoor/living history quarter, amphitheater, restored 1850's district, an immigrant park, festival marketplace and related parking. Improvements are needed now to address existing

problems in the area. After the EOT plan and related comprehensive plan amendments are approved, additional improvements will be needed which may include site assembly and preparation, street, sewer and water projects, relocation assistance and others. Public improvements anticipated in this plan include:

- Road improvements including ROW acquisition and relocation
- Parking and site preparation improvements
- Fire protection facilities
- Abernethy Creek improvements

2. Lagoon/Waterfront Area. This area will be redeveloped for tourist commercial uses directly related to the End of Trail Center, and existing parks will be enlarged and enhanced. Tourist commercial uses in the lagoon area include hotels, restaurants, marinas, and housing. Clackamette Park will also be expanded and improved and expanded along both the Willamette and Clackamas Rivers. After the EOT plan and related comprehensive plan amendments are approved, additional improvements will be needed which may include site assembly and preparation, street, sewer and water projects, relocation assistance and others. Public investments and improvements anticipated in this plan include:

- Lagoon redevelopment plan
- Park land acquisition/development
- Clackamette Park improvements
- River access trail
- Mixed-use project site assembly and preparation
- Main Street and Agnes Ave. reconstruction
- Tour boat dock and marina

3. Downtown. The historic downtown area will be enhanced, and retail and office opportunities will be supported by on-going programs and public improvements. In order to improve the linkages between the downtown and End of Trail area, a special design and transportation plan will be prepared. This plan will improve the flow of people and vehicles between these two activity areas, and should consider pedestrians, bicycles, automobiles and special modes such as trolleys and light rail. Public investments and improvements include:

- Historic buildings analysis: conservation/development program
- Downtown streetscape improvements
- Building facade improvement program
- Transportation linkages plan and implementation
- Surface parking improvements

- Courthouse adaptive reuse assistance
 - 8th Street dock redevelopment
 - Promenade and viewpoint improvements
4. Park Place. The Park Place interchange area currently has a mix of industrial, commercial and residential land uses which do not take full advantage of the transportation and recreational improvements planned for the area. A sub-area design plan is needed in order to identify development and redevelopment opportunities and guidelines for more compatible uses such as tourist commercial, office, and high density housing. Public investments and improvements include:
- Design plan preparation
 - Development and redevelopment assistance
5. Washington/7th Street Corridor. Traffic management improvements are needed in this sub-district in order to encourage traffic on 7th, and discourage traffic on Washington. In addition, streetscape, and parking improvements are needed along 7th, and facade/building rehabilitation assistance will improve this local commercial corridor. Improvements to public areas will also enhance the area. Public investments and improvements include:
- Sub-district design plan
 - Parking improvements
 - Building rehabilitation assistance
 - Streetscape improvements on 7th
 - Washington St. traffic diverter
 - Amphitheater/library assistance
6. Heritage Center. The focus of this sub-area is the new county museum. The area also serves as the entrance into Oregon City from the south. Transportation improvements are needed in the area to improve local circulation, and to improve the connections with the Downtown. Public investments and improvements include:
- Sub-district design plan
 - Transportation improvements

**Downtown Oregon City/End of Trail Area
PRELIMINARY ESTIMATES - PROJECT ACTIVITY COST AND PHASING**

DISCUSSION DRAFT 3

KEY - Phase numbers represent five year time periods

		Staff sugg. priority	Surve resul prior
Park Place	EST. COST		
Multi-Family Housing Development Assistance	\$ 150,000	1+	2
Park Place Sub-area Design Plan	30,000	1	2
Lagoon/Waterfront			
Park Land Acquisition	500,000	1	1
Land Assembly & Site Preparation Assistance	1,500,000	1	1
River Access Trail	100,000	1+	3
Main St. Reconstruction	440,000	1+	2
Agnes Ave. Reconstruction	700,000	1+	2
Tour Boat Dock & Marina	250,000	2	3
Prepare Lagoon Redevelopment Plan	30,000	1	1
Clackamette Park Improvements	200,000	3	1
End of Trail Area			
Road Improvements (Inc. R.O.W. and Acquis.)	1,250,000	1	2
Parking Improvements & Site Preparation	750,000	1	1/3
Holcolm Boulevard Improvements.	525,000	2	2
Abernethy Creek Improvements	250,000	2	3
Upgrade Fire Protection Services	375,000	2	1/3
Downtown Core			
Assist Adaptive Re-use of Courthouse	1,000,000	2	3
Surface Parking	1,000,000	2	1
Facade Improvements	200,000	1	1
Streetscaping	50,000	1	1/2
Building Rehab Loans	300,000	2	1
Improve Willamette Falls Viewpoint	50,000	2	1
Improve McLoughlin Blvd. Promenade	100,000	2	1/3
8th Street Dock	750,000	3	1/2
McLoughlin Bluffs Landscaping Program	200,000	2	2
Do Sub-area Design Plan	30,000	1	2
Transportation Linkage Study	100,000	2	2
Washington-7th Corr.			
Parking Improvements	200,000	3	1/2
Bldg. Rehab Loans	300,000	3	3
Streetscape on 7th	100,000	3	1
Traffic Diversion - Washington St.	50,000	3	3
Assist City Amphitheater development	50,000	3	3
Library Restoration	300,000	3	1
Sub-area Design Plan	20,000	2	2
Heritage Center			
S. End Road Improvements (Shared Cost with County)	500,000	2	1
Intersection Improvements - 2nd and 99E (Share with ODOT)	250,000	2	1
TOTAL	\$12,600,000		



**DOWNTOWN OREGON CITY/
END OF TRAIL AREA**

**URBAN RENEWAL PLAN
Oregon City, Oregon**

Boundary & Sub-Districts

- 1. End of Trail Area
- 2. Lagoon/Waterfront Redevelopment Area
- 3. Downtown
- 4. Park Place Interchange
- 5. Washington/7th Street Corridor
- 6. Heritage Center

November, 1990
Spencer & Kupper

CITY OF OREGON CITY

Incorporated 1844

Dated

November 14, 1990

REPORT

Page _____ of _____

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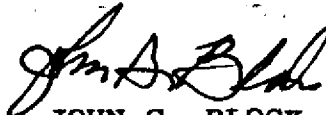
Subject: Legal Opinion on Urban Renewal
Funding for Police and Fire Services

Report No. 90-36-A

Attached is a legal opinion from Olie Norville on the question of using tax increment revenues for police and fire services.

The opinion states that tax increment funds can not be used for police or fire operations or equipment costs; but can, with some limitation, be used for facilities that would have a direct benefit on the urban renewal project area.

If the Agency wants to consider funding for police and fire facilities it will need to find that the facility is identified in the City's Comprehensive Plan, is included in the Urban Renewal Plan, and has a direct benefit on the Urban Renewal project area.



JOHN G. BLOCK
Executive Director

JGB:im

Attach.

cc: Charles Leeson, City Manager
Richard Martin, Police Chief
Jack Lynch, Interim Fire Chief

URBAN RENEWAL AGENCY

HOWARD A. RANKIN
PETER R. MERSEREAU
JAMES P. SHANNON, LL.M.*
THOMAS W. McPHERSON†
KATHERINE M. ZELKO, LL.M.

RANKIN MERSEREAU & SHANNON

LAWYERS

FOUNDED IN 1885 AS
SMITH & TEAL

1600 BENJ. FRANKLIN PLAZA
ONE S.W. COLUMBIA STREET
PORTLAND, OREGON 97258

OLIVER I. NORVILLE
OF COUNSEL

TELEPHONE: 503-226-6400
FACSIMILE: 503-226-0383

† ALSO LICENSED IN CALIFORNIA
* ALSO LICENSED IN MICHIGAN & COLORADO

November 8, 1990

Mr. John G. Block
Executive Director
Oregon City Urban Renewal Agency
320 Warner Milne Rd.
Oregon City, OR 97045

RE: Opinion on Use of Tax Increment Financing to Provide
Police and Fire Services, Equipment and Facilities

Dear Mr. Block:

The Oregon City Urban Renewal Agency is preparing an urban renewal plan for and intends to undertake urban renewal activities in the downtown area of Oregon City. The activities are to be financed with tax increment financing under the provisions of ORS Chapter 457. A proposal has been made to provide police and fire services, equipment and facilities under the plan utilizing tax increment financing. You have asked my opinion as to the legal authority of an urban renewal agency to utilize such funds for that purpose.

Tax increment funds are special funds which may be expended only for projects or activities authorized by statute and the urban renewal plan. Any other use of such funds may constitute an improper expenditure of public funds creating personal liability. The issue presented therefore is whether tax increment funds may, in this instance, be used for financing police and fire services, equipment and facilities.

The purpose of the urban renewal law is stated in ORS 457.020. That section generally provides that there are blighted areas in the state which impair economic values and "constitute a menace to the health, safety, morals and welfare of the residents of the state"; but these areas may require public action including "the acquisition, clearance, replanning, and preparation for rebuilding of these areas"; and that these "are public uses and purposes for which public money may be spent and private property acquired and are

Mr. John G. Block
November 8, 1990
Page Two

governmental functions of state concern." The purpose of the urban renewal law, therefore, is to eliminate existing conditions of blight in an area and redevelop the area in such a manner as to prevent future blight.

The powers of an urban renewal agency in planning or undertaking an urban renewal plan are contained in ORS 457.170. These powers authorize the agency to carry out rehabilitation work, to acquire, clear and dispose of real property, to assist in relocation of displaced persons and to "install, construct or reconstruct streets, utilities and site improvements in accordance with the urban renewal plan." Tax increment funds may be used in exercising these powers.

Expenditures of tax increment funds are limited to those activities authorized by statute and provided for in the urban renewal plan. Those activities include improvements which directly respond to the physical condition causing the blight and identified in the plan and the report which accompanies the plan. The types of permitted activities are specified in the statutory provisions cited above. There is nothing in the statute which permits an agency to provide police and fire services and equipment to serve the area. An agency may, however, have the authority to use tax increment funds to provide public facilities which serve the needs of the area and provide a direct benefit to the area. This could include police and fire facilities. Such facilities and use, however, should be consistent with the comprehensive plan of the City and be a proper utilization of the land and be a direct benefit to the project area. I shall be happy to discuss the authority and limitations to use tax increment funds for such facilities in further detail if you so desire.

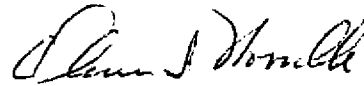
In response to the question you have presented, it is my opinion that the agency has no authority to use tax increment funds for financing police and fire services and equipment for a project area, but may, with certain limitations, use such funds for financing police and fire facilities which directly serve and benefit the area.

RANKIN MERSEREAU & SHANNON

Mr. John G. Block
November 8, 1990
Page Three

I hope the above opinion adequately responds to the question you have presented. Please advise me if I can be of further assistance.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Oliver I. Norville".

Oliver I. Norville

OIN:dlt

CITY OF OREGON CITY

Incorporated 1844

Dated

November 14, 1990

REPORT

Page 1 of 1

Subject: Review of Measure 5 Impacts

Report No. 90-37

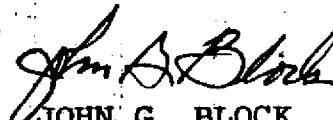
Attached is a Report to the Association of Oregon Redevelopment Agencies on the potential impacts of Measure 5 on Urban Renewal programs.

The report indicates there are still some ambiguities that will need to be resolved through interpretation, legislation or litigation.

Since Measure 5 reduces the property tax there is the obvious reduction in tax increment revenues that will be available to the Agency.

Measure 5 does apparently treat tax increment revenue as a tax and therefore under the rate limitation; however, the Attorney General's opinion is that revenues used for bonded indebtedness are outside of the rate limit. This is a benefit because most of the Agency's revenues will be used exclusively for bonded indebtedness.

There remain questions on the non-bonded indebtedness revenues and concludes by recommending the Association of Oregon Redevelopment Agencies prepare legislation to deal with those issues.


JOHN G. BLOCK
Executive Director

JGB:im

Attach.

cc: Charles Leeson, City Manager

URBAN RENEWAL AGENCY

MEMORANDUM REPORT

TO: Association of Oregon Redevelopment Agencies

FROM: Legal Task Force: Oliver I. Norville,
Harvey Rogers and Howard A. Rankin

DATE: October 30, 1990

SUBJECT: Impact of Ballot Measure 5 on Tax Increment
Financing

ANALYSIS AND IDENTIFICATION OF ISSUES: PROCESS FOR
RESOLVING ISSUES

AORA has requested the Legal Task Force to analyze and identify the issues concerning the impact Ballot Measure 5, if approved by the voters, will have on tax increment financing, and to suggest a process for resolving such issues. The charge to the legal tax force is as follows:

SUBSTANCE

1. Review and analyze the ballot measure as written to produce a list of questions that are raised by the measure, either because of ambiguity, inconsistency or lack of comprehensive coverage.
2. Identify which questions raised by #1 are important to AORA and the reasons for their importance. Prioritize the issues based upon their impact on AORA members.

PROCESS

3. Identify the processes which are available to answer the questions identified in #2, i.e. the courts, the legislature, local governments, others.

4. Identify other parties who do or who might share the same issues identified in #2. Investigate and report on any action those parties are planning or pursuing to answer the questions.
5. If #3 includes legislation as a necessary process, recommend a schedule and a process for drafting and presenting legislation (with or without other parties).
6. If #3 includes litigation as a necessary process, recommend a schedule and a process for initiating or participating in litigation (with or without other parties).

SUBSTANTIVE ISSUES: ANALYSIS AND DEFINITION

While Ballot Measure 5 ("Measure") was designed to limit property taxes, the measure does not deal directly with tax increment financing ("TIF"). The limitations it imposes, however, have important implications to TIF financing. First, the rate limitations contained in the Measure seriously reduce the revenues available for TIF financing. Second, the Measure results in ambiguities in its application to TIF financing which must be resolved through interpretation, legislation or litigation. The reduced revenues to TIF financing are self-apparent; the ambiguities must be resolved. The Legal Tax Force was concerned with resolving the ambiguities.

The Oregon Attorney General has issued an opinion (No. 8216; September 7, 1990) concerning the application and

effect of the Measure on numerous issues presented ("AG Opinion"). The AG Opinion concludes that tax increment revenue used to pay bonded indebtedness of an agency carrying out an urban renewal plan does not fall within the rate limitations on property taxes contained in the measure. It suggests, however, the need for legislation to determine the method of calculating the amount of tax increment used to repay bonded indebtedness. The AG Opinion also concludes that tax increment revenue is a "tax" within the meaning of the Measure (although it notes that this issue is not free from doubt) and that any portion of tax increment revenues not applied to payment of bonded indebtedness are subject to the rate limitations. The AG Opinion further states that, since the funds are applied to a non-school use, they are subject to the general governmental limitation of \$10/\$1000. An example is given in the AG Opinion as to the method for computing the increment within that limitation.

The Task Force, although not in total agreement with the conclusions of the Attorney General on all issues, has accepted the views of the Attorney General as contained in the AG Opinion as a reasonable legal position. The result, in ruling that tax increment used to pay principal and interest on bonded indebtedness is not subject to the limitations contained in the measure, is generally favorable

to most agencies and their TIF financing programs. The portions of the AG Opinion which the Task Force took exception to related to the conclusions that: (1) TIF funds are a "tax" within the meaning of the Measure; and (2) TIF funds are subject to the general governmental limitation only, rather than the combined school and governmental limitation. The Task Force was divided as to the merits of the legal arguments with respect to these issues. Although the Task Force makes no recommendation with respect to these matters, they should be preserved as items which AORA or individual agencies may desire to raise in the future.

The issues which are presented by the Measure and which result from the conclusions of the AG Opinion are set forth below, together with the reasons for their importance. They are set out in their order of priority based upon their impact on AORA members. The first three issues are legal questions while the fourth is a policy issue.

(1) What does "bonded Indebtedness" mean under Section 11b(3)(a) of Ballot Measure 5? Does it include any kind of debt obligation of an agency? If so, what kind of debt obligation?

Section 11b(3)(a) of the Measure provides that the limitations do not apply to: "Taxes imposed to pay the principal and interest on bonded indebtedness authorized by a specific provision of the Constitution." The AG Opinion concludes that TIF funds used to repay bonded indebtedness may be excluded from the calculation of taxes imposed within the limit because they are "bonded indebtedness authorized by a specific provision of the Constitution." The term "bonded indebtedness" has no fixed legal meaning. It is therefore subject to definition by the Legislature and the courts. If it is given a broad legislative definition to include all or a substantial portion of the debt obligations of an agency, the agency could exempt all or a major part of its tax increment funding from the limitations of the Measure. The drafting of any such legislation must consider factors that the courts would regard in determining whether such statutory definition is reasonable. Such factors could include requiring that: (1) formal action of the agency governing body be taken obligating such TIF funding to payment of the indebtedness; (2) payment be made beyond the fiscal year of issuance of the bonds or debts; (3) other factors which establish the reasonableness of the obligation as a "bonded indebtedness."

(2) If TIF funds are used to pay the principal and interest on bonded indebtedness, are all such funds wholly outside the limitations of Ballot Measure 5, or only that portion of the funds required for debt service? How is the amount required for debt service determined?

Since TIF funds used to repay "bonded indebtedness" are exempt from the limitations of the Measure, the next issue is, as stated above, whether all funds pledged are exempt or only those required to pay the debt service. If only those TIF funds "required" are exempted, the remaining funds fall within the limitation. While the AG Opinion does not clearly make this distinction, it creates an ambiguity which should be resolved by legislation in a manner which exempts all TIF funds pledged to repay bonded indebtedness from the limitations of the Measure.

(3) If TIF funds are subject to either limitation, how are they computed? By using the AG example for an individual property? By using an example of the entire value of the urban renewal area? How can these methods be reconciled?

Any portion of the TIF funds which is not obligated to pay bonded indebtedness will be subject to the limitation of the Measure. The AG's Opinion concludes that it is subject

to the \$10/\$1,000 non-school governmental limitation. If the total non-school governmental levy is less than \$10/\$1,000 limitation, the TIF funds can be calculated in the normal way since it would have no impact on the amount received by the other governmental bodies. If the total levy exceeds the \$10/\$1,000 limit, a formula for computing must be established. The example given in the AG Opinion applies to only individual properties. A more practical approach would be to apply it to the entire urban renewal area using the concepts of the AG Opinion as a guide. In any event, this should be done legislatively in order to resolve this ambiguity.

(4) Policy Issue: To what extent should TIF funds compete with local government and schools if the TIF funds fall within the tax limitation for local government and schools?

In the event the TIF funds fall within the \$10/\$1,000 general governmental limitation, a basic conflict will result between urban renewal agencies and non-school governmental bodies competing for the funds. This is a policy, not a legal issue, but one on which AORA should take a position since conflict is likely to arise.

PROCEDURE FOR RESOLVING ISSUES

The Task Force recommends that the above-described issues be resolved legislatively in the first instance. All of the issues are subject to legislative resolution. The courts will defer to the Legislature's interpretation of the Measure if it is reasonable, so there is an opportunity to dispose of most issues by legislation. Most issues will not be ripe for litigation until after the beginning of the 1991-92 fiscal year and perhaps not until taxes are levied for that year. Litigation should, therefore, be postponed although AORA should be prepared to respond to litigation initiated by opponents of TIF financing either through an attack on the interpretation given the Measure or against the legislation which is enacted to implement the Measure.

The Task Force has not identified any other parties who might share the same issues identified above. The League of Oregon Cities and the Attorney General's Office have been contacted and neither are aware of any legislation which is presently being proposed concerning the Measure. Present efforts have been focused on defeating the Measure. In the event the Measure does pass, however, work will commence immediately in drafting legislation to deal with the many issues which will be presented. Following the election, when

the composition of the Legislature is known, a more complete assessment can be made as to how those issues will be dealt with.

The Task Force recommends that, in the event of passage of the Measure, specific legislative proposals be prepared responding to the issues identified above. Such legislation should be ready no later than the date the Legislature convenes in January, 1991. The bill should be in such form that it can be included in an omnibus bill dealing with the many matters that would be considered in response to the Measure, but it should also be in such form as it can stand alone as a separate bill. Strategically the Task Force recommends that, if possible, the proposed legislation be contained in an omnibus bill dealing with all of the issues raised by the Measure. Such a bill would presumably be prepared by the Legislative Counsel's Office, Revenue Section. In the event such a bill is not available at an early date, AORA should consider the immediate proposition of an individual bill in order to meet the pre-session filing deadline.

SUMMARY

The Task Force recommends that, if Ballot Measure 5 is approved, AORA prepare legislation to deal with the issues identified above and that AORA hold itself ready to respond to any litigation attacking the interpretation given the Measure or the legislation adopted to carry it out.

CITY OF OREGON CITY

Incorporated 1844

Dated

November 14, 1990

REPORT

Page 1 of 1

Subject: Supplemental Report - Revised Revenue
Projections and Project Activities

Report No. 90-39

Attached is a report from Charles Kupper on revised revenue projections because of Measure 5 and suggested changes in project activities to reflect the reduction in revenue. Measure 5 will reduce the projected revenue to \$10.1 million over the 15 year planning period (1991 - 2005).

This will require a reduction of \$2.5 million in projects to balance with the projected revenue. Listed below are the suggested changes. The changes take into account the priority ranking and availability of revenue in each five-year phase of the planning period.

The following projects are being suggested to be dropped:

o Holcomb Boulevard Improvements	\$525,000
o 8th Street Dock and Restaurant	750,000
o McLoughlin Bluff Landscaping	200,000
o Library Park Amphitheater	50,000
o 2nd and 99-E Intersection Improvements	250,000

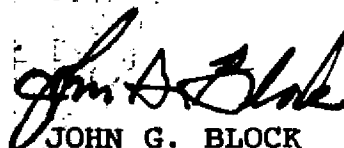
The following projects are being suggested to be reduced in size:

o Reuse of Courthouse reduced	500,000
o Downtown Parking reduced	<u>250,000</u>

TOTAL REDUCTION

\$2,525,000

Following public testimony the Agency should consider these and/or other changes and provide direction to include in the final draft of the Downtown Renewal Plan.



JOHN G. BLOCK
Executive Director

JGB:im

Attach.

cc: Charles Leeson, City Manager

URBAN RENEWAL AGENCY

Downtown Oregon City/End of Trail Area
PRELIMINARY ESTIMATES - PROJECT ACTIVITY COST AND PHASING

DISCUSSION DRAFT #4

KEY - Phase numbers represent five year time periods

Park Place	EST. COST	PHASE
Multi-Family Housing Development Assistance	\$ 150,000	1+ :
Park Place Sub-area Design Plan	30,000	1+ 2
Lagoon/Waterfront		
Park Land Acquisiton	500,000	1
Land Assembly & Site Preparation Assistance	1,500,000	1
River Access Trail	100,000	1+ :
Main St. Reconstruction	440,000	1+ :
Agnes Ave. Reconstruction	700,000	1+ 2
Tour Boat Dock & Marina	250,000	2 :
Prepare Lagoon Redevelopment Plan	30,000	1
Clackamette Park Improvements	200,000	3
End of Trail Area		
Road Improvements (Inc. R.O.W. and Acquis.)	1,250,000	1+ :
Parking Improvements & Site Preparation	750,000	1+ :
~~Holcolm Boulevard Improvements~~	~~525,000~~	2
Abernethy Creek Improvements	250,000	2 :
Upgrade Fire Protection Services	375,000	2 :
Downtown Core		
Assist Adaptive Re-use of Courthouse	~~1,000,000~~ 500,000	2 :
Surface Parking	~~1,000,000~~ 750,000	2
Facade Improvements	200,000	1/2
Streetscaping	50,000	1
Building Rehab Loans	300,000	2/3
Improve Willamette Falls Viewpoint	50,000	2
Improve McLoughlin Blvd. Promenade	100,000	2
~~8th Street Deck~~	~~750,000~~	3
~~McLoughlin Bluffs Landscaping Program~~	~~200,000~~	2
Do Sub-area Design Plan	30,000	1
Transportation Linkage Study	100,000	2 :
Washington-7th Corr.		
Parking Improvements	200,000	3
Bldg. Rehab Loans	300,000	3
Streetscape on 7th	100,000	3
Traffic Diversion - Washington St.	50,000	3
~~Assist City Amphitheater development~~	~~50,000~~	3
Library Restoration	300,000	3
Sub-area Design Plan	20,000	2
Heritage Center		
S. End Road Improvements (Shared Cost with County)	500,000	2 :
~~Intersection Improvements 2nd and 99E (Share with ODOT)~~	~~250,000~~	2
TOTAL	~~\$12,600,000~~ 10,075,000	

November 13, 1990

To: John Block
From: Charles Kupper

Re: Tax Limitation Strategy - Downtown/End of Trails Project

As you requested last week, we are attaching a revised revenue projection and a revised schedule for project activities. The revenue calculations are based upon one of many interpretations that might be applied to POPS' effect on tax increment revenues. We would like to cover a number of issues in this memo, some relating to the development strategies and scheduling dictated by POPS, others to policy matters relating to plan adoption.

REVISED REVENUE PROJECTIONS

The revenues produced in a tax limitation scenario are based upon the new values we agreed upon last week, and a tax rate declining according to the provisions of POPS. Since taxes required to pay debt service on already-existing bonded debt will be allowed outside the POPS limitation, we are adding \$2 on to the maximum rates allowed under POPS. The lowest combined rate used in this scenario thus becomes \$17. We will address the uncertainty about these revenue calculations later in the memo.

REVENUE IMPACT OF TAX LIMITATION

The total ^{\$10.1 million} tax increment generated by the new values shown in the tax limitation cash flow scenario is ~~\$2.88 million~~ between 1991-2005. This contrasts with a total of \$19.065 million for the same values, same period using the current combined tax rate. Thus, tax increment revenues are reduced to 51.4% of the pre-POPS amount. The reduction in tax increment revenues also reduces the early bonding capacity of project values to less than \$2 million.

REVISED STRATEGY

The general development strategy is unchanged - first priority on expenditures is given to activities which are most likely to promote new taxable values. Thus, the primary emphasis remains one of concentrating early investments in the End of Trails and Lagoon areas. In the first five years of the project, each of those areas receives \$2 million worth of funding.

However, the reduced tax increment revenues now require choosing one of two strategic options - either eliminate project activities, or further extend the phasing of the renewal project. We have chosen to add a fourth 5 year phase to the project. We have put activities and expenditures least likely to produce new revenues into that fourth phase.

SPENCER & KUPPER

3045 NW THURMAN STREET
PORTLAND, OREGON 97210
TEL. 503 • 226 • 1067
TEL. 503 • 284 • 0342

STRATEGY IMPACTS OF TAX LIMITATION

The strategic impacts of the tax limit stem mostly from the anticipated revenue reductions. **The most significant of all strategic impacts of the tax limitation is whether it will effect the End of Trails project.** The main thrust of the renewal plan's development strategy is based upon the assumption that the End of Trails Project will be implemented, and will act as a catalyst for development in that area. If the End of Trails project is killed or badly delayed, the entire development strategy of the renewal plan must be re-thought.

A definite impact of the reduced revenues is to require that the start of some project activities be delayed for ten or fifteen years. A significant number of projects and expenditures now get pushed ten to fifteen years into the future. The lengthy delays in turn raise questions about whether the expenditures and sub-area development strategies still will be appropriate fifteen or twenty years into the plan. One example of how delay can call the strategy into question is the required shift of the "Courthouse - Adaptive Reuse" project to year 2001. There is no way of knowing what the County will do with the Courthouse in the next ten years. The mere possibility of funding assistance is not likely to control County decisions on the Courthouse over that period. Should the Courthouse project then be dropped from the plan?

The funding delay raises the same kind of strategic questions in the "Washington-7th" and "Heritage Center" areas. Will the activities and relatively small expenditures scheduled for these areas make sense fifteen years in the future? Will the mere possibility of funding assistance help stabilize those areas in the short run?

UNCERTAINTIES REGARDING TAX LIMITATION IMPACTS

It was noted above that the revenue calculations are based on one set of assumptions about the final interpretation of how the POPS initiative will affect tax increment revenues. It should be noted that the method used here is NOT the methodology suggested by the AG opinion on POPS and tax increment financing. Any report on the Plan at this time must emphasize these uncertainties, and perhaps show two or more methods of calculating revenues under the POPS initiative.

Equally important, the method chosen for projecting tax increment revenues also reflects the assumptions on RENEWAL IMPACTS. The method chosen here makes the assumption that there will be a legal or legislative finding that ALL tax increment revenues fall outside the \$10 limit for local governments. That assumption produces a higher "local government" tax rate than \$10, but does not require a reduction in government bodys' general funds.

On the other hand, revenue assumptions based upon the AG opinion must also assume that tax increment funds will be considered a local "levy", and must fit within the \$10 limit. In order to accomodate this new "levy", other governmental bodies will be forced to reduce their own levies. Any report on a Plan should likewise take into account the differing interpretations of how tax increment impacts must be calculated.

OTHER KEY STRATEGIC ASSUMPTION

Regardless of the impacts of the tax limitation, it should be noted that much of the "startup" financing ability of the project is based upon assumptions regarding re-assessment of the Oregon City Shopping Center and the Lagoon Property. These re-assessments are programmed to add \$10 million in new values in the first two years of the plan. The re-assessments therefore have the same impact on project feasibility as adding a new \$10 million building project to the area. *City staff should devote the same attention and effort to working with the assessor as it would to working with the developer of a \$10 million project.*

Jan

OREGON CITY URBAN RENEWAL
ADVISORY COMMITTEE

November 7, 1990 - 6:30 P.M.

City Hall Conference Room "C"
320 Warner-Milne Road
Oregon City, Oregon 97045

A G E N D A

1. Approval of October 3, 1990 minutes.
2. Downtown Renewal Plan - Project Priorities.
3. Red Soils Project Status Report.

CITY OF OREGON CITY

Incorporated 1844

Dated

November 2, 1990

REPORT

Page _____ of _____

Subject: Downtown Urban Renewal Plan
Project Priority Survey

Memo No. 90-05-A

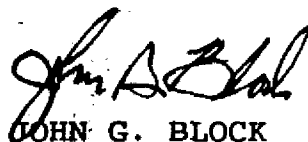
Attached is a preliminary draft project list for the Downtown Renewal Plan. The list follows the project areas, boundary and project ideas discussed at the October 3 Advisory Committee meeting.

The project consultants have estimated costs and indicated a recommended phase. Each phase represents a five-year time period, i.e., Phase 1, the first 5 years of the plan; Phase 2, the second 5 years and so forth.

The Phase 1 projects total \$6.53 Million, the Phase 2 projects \$4.92 Million and the Phase 3 projects \$1.95 Million, for a total of \$13.4 Million overall. In order to raise this kind of revenue, early projects should focus on value added projects, i. e. shopping center expansion, Lagoon development, Park Place development, etc.

To get a consensus on which projects to fund first, please take a few moments prior to the meeting to indicate which priority you would place on the various projects listed. If you have other project ideas, please write them on the back of the project list.

We will discuss them at the meeting. Thank you.



JOHN G. BLOCK
Executive Director

JGB:im

cc: attach.

URBAN RENEWAL AGENCY

Preliminary Estimates - Project Activity Cost and Phasing

DISCUSSION DRAFT 2

KEY - Phase numbers represent 5 year periods

	EST. COST	PHASE	PRIORITY		
			1	2	3
Park Place					
Multi-Family Housing Development Assistance	\$ 150,000	1+	—	—	—
Park Place Sub-area Design Plan	30,000	1	—	—	—
Lagoon					
Park Land Acquisition	500,000	1	—	—	—
Land Assembly & Site Preparation Assistance	1,500,000	1	—	—	—
River Access Trail	100,000	1+	—	—	—
Main St. Reconstruction	440,000	1+	—	—	—
Agnes Ave. Reconstruction	700,000	1+	—	—	—
Tour Boat Dock	250,000	2	—	—	—
Prepare Lagoon Development Plan	30,000	1	—	—	—
Waterfront Area					
Clackamette Park Expansion	200,000	3	—	—	—
Shopping Center Expansion					
Assist Lone Star relocation	300,000	1+	—	—	—
End of Trail Area					
Road Improvements	750,000	1	—	—	—
Parking Improvements	250,000	1	—	—	—
Site Assembly & Preparation	1,500,000	1	—	—	—
Holcolm Boulevard Improvements	525,000	2	—	—	—
Albernothy Creek Improvements	250,000	2	—	—	—
Downtown Core					
Assist Justice Center Development	1,000,000	2	—	—	—
Surface Parking	1,000,000	2	—	—	—
Facade Improvements	200,000	1	—	—	—
Streetscaping	50,000	1	—	—	—
Building Rehab Loans	300,000	2	—	—	—
Improve Willamette Falls Viewpoint	50,000	2	—	—	—
Improve McLoughlin Blvd. Promenade	100,000	2	—	—	—
8th Street Dock	750,000	3	—	—	—
McLoughlin Bluffs Landscaping Program	200,000	2	—	—	—
Upgrade Fire Protection Services	375,000	2	—	—	—
Do Sub-area Design Plan	30,000	1	—	—	—
Transportation Linkage Study	100,000	2	—	—	—
Washington-7th Corr.					
Parking Improvements	200,000	3	—	—	—
Bldg. Rehab Loans	300,000	3	—	—	—
Streetscape on 7th	100,000	3	—	—	—
Traffic Diversion - Washington St.	50,000	3	—	—	—
Assist City Amphitheater development	50,000	3	—	—	—
Library Restoration	300,000	3	—	—	—
Sub-area Design Plan	20,000	2	—	—	—
Heritage Center					
S. End Road Improvements (Shared Cost with County)	500,000	2	—	—	—
Intersection Improvements - 2nd and 9th (Share with ODOT)	250,000	2	—	—	—
TOTAL	\$13,400,000				

CITY OF OREGON CITY

Incorporated 1844

Dated

November 2, 1990

Page _____ of _____

~~REPORT~~ *Memo*

1 1

Subject: Downtown Urban Renewal Plan
Project Priority Survey

Memo No. 90-05-A

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The project consultants have estimated costs and indicated a recommended phase. Each phase represents a five-year time period, i.e., Phase 1, the first 5 years of the plan; Phase 2, the second 5 years and so forth.

The Phase 1 projects total \$6.53 Million, the Phase 2 projects \$4.92 Million and the Phase 3 projects \$1.95 Million, for a total of \$13.4 Million overall. In order to raise this kind of revenue, early projects should focus on value added projects, i. e. shopping center expansion, Lagoon development, Park Place development, etc.

To get a consensus on which projects to fund first, please take a few moments prior to the meeting to indicate which priority you would place on the various projects listed. If you have other project ideas, please write them on the back of the project list.

We will discuss them at the meeting. Thank you.


JOHN G. BLOCK
Executive Director

JGB:im

cc: attach.

URBAN RENEWAL AGENCY

Oregon City cuts list of projects in half

Commissioners, citing Measure 5, call plans too ambitious

By DAN McCUE

Correspondent, The Oregonian

OREGON CITY — The city's Urban Renewal Agency cut the list of proposed projects for the downtown urban renewal district nearly in half Wednesday.

City commissioners, who make up the agency board, cited an overly ambitious initial wish list and Ballot Measure 5.

John Block, executive director of the agency, presented a revised discussion draft to the board listing about \$10.1 million worth of projects for the downtown district, chopping about \$9 million in projects out of a preliminary list submitted last month.

The revised draft prioritizes the 30 projects on the list. The initial list contained about 60 proposed projects.

Block and the agency's advisory committee gave the highest priority to those fronting the Clackamas and Willamette rivers and those in the downtown core area.

They include spending an estimated \$2 million to acquire park property along the rivers and to encourage preparation of sites around the Clackamette Lagoon for tourist-related development, and spending another \$30,000 for a lagoon redevelopment plan.

Highest-priority projects also include an estimated \$750,000 for additional parking downtown; \$200,000 to improve downtown building facades; \$50,000 for downtown curb and sidewalk improvements, planting and street furniture; \$50,000 to improve the Willamette Falls viewpoint downtown; and \$30,000 for an overall downtown design plan.

The list also gives high priority to a \$500,000 shared-cost project with Clackamas County to improve South End Road near the new Trails' End Heritage Center museum.

The agency voted this summer to separate the downtown area and End of the Oregon Trail project area from the Hilltop urban renewal district, forming a second district.

One of the first things that must happen if the 15-year plan is to be

successful, Block said, is to rezone the lagoon area, counted on by the agency to be a center of first-rate tourist amenities such as a hotel, marina, restaurant and boat dock.

"We will not be successful getting a \$20 million hotel, restaurant and marina complex in the lagoon if there is an asphalt and concrete plant in the lagoon," he said.

It must be rezoned from heavy industrial to a tourist-commercial zone, Block said. The agency is negotiating with lagoon-area property owners to buy the land and lagoon, the only privately owned body of navigable water in the state, Block said.

The downtown design plan is crucial, he said, to determine where to build more parking.

"Parking is needed downtown," he said. "The only way to add parking down there is to remove buildings. We need to understand which buildings should be removed."

The agency is banking on private development around the Oregon City Shopping Center, the development of the End of the Oregon Trail project, and development around the lagoon to generate tax increment revenues to pay off the money borrowed to make many of the necessary public improvements.

However, passage of Ballot Measure 5, by limiting the revenues the city can take in, also limited the amount the city can borrow. That reduced the scope of some proposed projects and eliminated others.

Projects cut from the draft included improvements to Holcomb Boulevard, a dock at the end of Eighth Street, a landscaping project along the McLoughlin Bluff overlooking downtown, assistance to the city in building an amphitheater near the library, and improvements to the intersection of Second Street and McLoughlin Boulevard.

Residents testified Wednesday that landscaping along McLoughlin Bluff should be put back into the plan, perhaps at the expense of street projects like those planned downtown and along Seventh Street.

The City Commission, acting as the urban renewal agency, and the city's Planning Commission will hold several more public hearings on the downtown district plan. Hearings are set for Nov. 28, Dec. 5, Dec. 12 and Dec. 19, when the final plan is scheduled for adoption.

CITY OF OREGON CITY

Incorporated 1844

Imperial
Dated

November 2, 1990

MEMORANDUM

Page _____ of _____
1 1

Subject: Downtown Urban Renewal Plan
Project Priority Survey

Memo No. 90-05

Attached is a preliminary draft project list for the Downtown Renewal Plan. The list follows the project areas, boundary and project ideas discussed at the October 24 Work Session.

The project consultants have estimated costs and indicated a recommended phase. Each phase represents a five-year time period, i.e., Phase 1, the first 5 years of the plan; Phase 2, the second 5 years and so forth.

The Phase 1 projects total \$6.53 Million, the Phase 2 projects \$4.92 Million and the Phase 3 projects \$1.95 Million, for a total of \$13.4 Million overall. In order to raise this kind of revenue, early projects should focus on value added projects, i. e. shopping center expansion, Lagoon development, Park Place development, etc.

To get a consensus on which projects to fund first, please take a few moments to indicate which priority you would place on the various projects listed. If you have other project ideas, please write them on the back of the project list.

Please return the survey at the City Commission meeting Wednesday, November 7th. I will tabulate the results and present them to the Agency's work session on November 14th. Thank you.

John G. Block
JOHN G. BLOCK
Executive Director

JGB:im

cc: attach.

URBAN RENEWAL AGENCY

Preliminary Estimates - Project Activity Cost and Phasing

DISCUSSION DRAFT 2

KEY - Phase numbers represent 5 year periods

	EST. COST	PHASE	PRIORITY		
			1	2	3
Park Place					
Multi-Family Housing Development Assistance	\$ 150,000	1+	—	—	—
Park Place Sub-area Design Plan	30,000	1	—	—	—
Lagoon					
Park Land Acquisition	500,000	1	—	—	—
Land Assembly & Site Preparation Assistance	1,500,000	1	—	—	—
River Access Trail	100,000	1+	—	—	—
Main St. Reconstruction	440,000	1+	—	—	—
Agnes Ave. Reconstruction	700,000	1+	—	—	—
Tour Boat Dock	250,000	2	—	—	—
Prepare Lagoon Development Plan	30,000	1	—	—	—
Waterfront Area					
Clackamette Park Expansion	200,000	3	—	—	—
Shopping Center Expansion					
Assist Lone Star relocation	300,000	1+	—	—	—
End of Trail Area					
Road Improvements	750,000	1	—	—	—
Parking Improvements	250,000	1	—	—	—
Site Assembly & Preparation	1,500,000	1	—	—	—
Holcolm Boulevard Improvements	525,000	2	—	—	—
Albion Creek Improvements	250,000	2	—	—	—
Downtown Core					
Assist Justice Center Development	1,000,000	2	—	—	—
Surface Parking	1,000,000	2	—	—	—
Facade Improvements	200,000	1	—	—	—
Streetscaping	50,000	1	—	—	—
Building Rehab Loans	300,000	2	—	—	—
Improve Willamette Falls Viewpoint	50,000	2	—	—	—
Improve McLoughlin Blvd. Promenade	100,000	2	—	—	—
8th Street Dock	750,000	3	—	—	—
McLoughlin Bluffs Landscaping Program	200,000	2	—	—	—
Upgrade Fire Protection Services	375,000	2	—	—	—
Do Sub-area Design Plan	30,000	1	—	—	—
Transportation Linkage Study	100,000	2	—	—	—
Washington-7th Corr.					
Parking Improvements	200,000	3	—	—	—
Bldg. Rehab Loans	300,000	3	—	—	—
Streetscape on 7th	100,000	3	—	—	—
Traffic Diversion - Washington St.	50,000	3	—	—	—
Assist City Amphitheater development	50,000	3	—	—	—
Library Restoration	300,000	3	—	—	—
Sub-area Design Plan	20,000	2	—	—	—
Heritage Center					
S. End Road Improvements (Shared Cost with County)	500,000	2	—	—	—
Intersection Improvements - 2nd and 9th (Share with ODOT)	250,000	2	—	—	—
TOTAL	\$13,400,000				



OREGON CITY URBAN RENEWAL AGENCY

There will be a work session of the Oregon City Urban Renewal Agency on Wednesday, October 24, 1990 at 6:30 p.m. in the Commission Chambers, City Hall, 320 Warner-Milne Road, Oregon City, Oregon.

A G E N D A

1. Financing Proposals
 - a. Security Pacific
 - b. Seattle Northwest
2. Downtown Renewal Plan
 - a. Discussion of Boundary, Project Areas, Projects, Priorities.
 - b. Minutes of Old Home Forum presentation
3. Red Soils Marketing Program
 - a. Ryan Communication Scope of Services

CITY OF OREGON CITY

Incorporated 1844

Dated

October 24, 1990

REPORT

Page 1 of 2

Subject: Financing Proposals - Selection
of Firm

Report No. 90-33

Attached are proposals from Security Pacific and Seattle Northwest for Agency review. These proposals follow the direction you provided at the October 10 meeting. A 10-year fixed rate bond issue with no security against Red Soils. Both companies have extensive experience in public finance and urban renewal bond issues in particular. Attached is a list of recent bond issues for review. Both companies have had several.

I have provided both companies with the following project schedule and intent.

	Project	Amount	Schedule
1.	Red Soils Phase 1 Acquisition	\$740,000	12-31-90
2.	Red Soils Phase 2 Acquisition	800,000*	by 12-31-93

*Sale of the Phase 1 lots will pay for the Phase 2 acquisition, therefore can be excluded from the bond issue.

3.	Access Road, Phase 1	550,000	6-30-91
4.	Access Road, Phase 2	750,000	by 12-31-93
5.	Water Fund Loan Repayment	350,000	6-30-90
6.	Bond Issuance Costs	<u>60,000</u>	

\$2,450,000

Until Ballot Measure 5 is decided the Agency will not be able to determine how much money it can borrow, but my recommendation is to require a \$2.45 Million issue.

Seattle Northwest is currently the number 1 company in terms of volume and number of issues in Oregon and is currently packaging a local improvement district bond sale for the City. Security Pacific is the Agency's bank and has provided financial advice in the past.

URBAN RENEWAL AGENCY

CITY OF OREGON CITY

Incorporated 1844

Dated

October 24, 1990

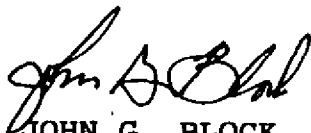
Page 2 of 2

REPORT

Subject: Financing Proposals - Selection
of Firm

Report No. 90-33

Security Pacific is a commercial lender and can provide bank financing and gap financing if needed, whereas Seattle Northwest is not a bank and only sells financial instruments to investors. Seattle Northwest would probably get the Agency a slightly better interest rate (according to them) and suggested for our first issue that we keep it simple.


JOHN G. BLOCK
Executive Director

JGB:im

attach.

cc: Charles Leeson, Interim City Manager

URBAN RENEWAL AGENCY



SECURITY PACIFIC BANK OREGON

October 18, 1990

John Block, Development Director
City of Oregon City
320 Warner Milne Rd.
Oregon City, Oregon 97045

RE: Hilltop Urban Renewal Area Plan of Capitalization

Dear John:

The text below recaps our conversation of this date regarding how best to meet the start up capitalization needs of the Hilltop Renewal area. The following gross funding requirements have been identified through fiscal year 1993:

Hilltop Redevelopment Area
Gross Funding Requirements FY 91 - 93

Land Acquisition, Phase I	\$740,000
Land Acquisition, Phase II	800,000
Public Improvements, Phase I	550,000
Public Improvements, Phase II	750,000
Repay Water Fund Loan	350,000

Gross Funding Requirement	\$3,190,000

Land being acquired in Phases I and II is being acquired for resale to one or more private parties. Further, the Agency anticipates that the proceeds of the sale of land acquired in Phase I will be available to fund almost all of the purchase price of Phase II land acquisition. Thus we may reduce the gross funding requirement estimated above by the estimated sale price of Phase I land to establish a net funding requirement.

Hilltop Redevelopment Area
Net Funding Requirements FY 91 - 93

Gross Funding Requirement	\$3,190,000
less Phase I land resale proceeds	(740,000)

Net Funding Requirement	\$2,450,000

We noted above that land being acquired in Phases I and II is being acquired for resale to one or more private parties. Under the IRS Code, interest paid on money borrowed to finance such a public land purchase may is not tax-exempt unless the borrowing is "qualified redevelopment bond" and receives private activity allocation from the State of Oregon. Allocations are made by Committee whose next meeting will be in late December. By setting up the land acquisition borrowing as a qualified redevelopment bond, the Agency may reduce its borrowing interest rate from the 10% area to the 7% area.

With or without the passage of Measure 5, the property tax limitation initiative, currently available tax increment cash flows are insufficient to support a financing with \$2.45 million in net spendable proceeds. Yet the Agency has an interest in being assured that funding in this total amount will be available as new private development, e.g. the Randall project, comes on the tax rolls. Thus Security Pacific proposes the following:

- o Issue bonds prior to December 31, 1990 in a amount sufficient to net \$2.45 million, pay all issuance expenses, and fund a debt service reserve. The financing would close in late December.
- o Issue the bonds as two series of bonds. One series (Series A) would be in the amount of \$1.65 million and would fund all public improvements and repay the Water Fund loan. The second series (Series B) would be in the amount of \$800,000 and would fund land acquisition.
- o To hedge the possible non availability of a private activity allocation, arrange for Security Pacific to provide a land acquisition line of credit to the Agency. The line would permit the Agency to acquire the first Red Soils parcel from the County if Series B bonds could not be issued in a timely fashion due to non availability of a private activity allocation from the State.
- o Deposit that portion of the Series A bonds which can not be supported from currently available tax increment receipts in an escrow. Agree to provide an opinion of an independent municipal finance expert as to the ability of future increases in tax increment receipts to support repayment of any monies proposed for withdrawal from the escrow. This will provide a predictable mechanism by which the Agency can link its future Phase II infrastructure investments to corresponding future private developments which result in increased tax increment receipts.

We enclose a sources and uses of funds schedule which summarizes the strategy outlined above.

Security Pacific is prepared to proceed with immediate implementation of the plan of capitalization presented above and to close the required financings prior to year end 1990. As always,

We remain at your service,



Daniel Anderson
for
Security Pacific Bank

**Oregon City Urban Renewal Agency
Hilltop Redevelopment Area**

Plan of Capitalization

Time Period Ending	Dec-90	Jun-91	Jun-93
	-----	-----	-----
Sources of Funds			
Series A Bonds	\$1,650,000	\$0	\$0
Series B Bonds	800,000	0	0
Sale of Land	0	0	740,000
Funds Withdrawn from Escrow	0	900,000	810,000
	-----	-----	-----
Total Sources of Funds	\$2,450,000	\$900,000	\$1,550,000
 Uses of Funds			
Land Acquisition	\$740,000	\$0	\$800,000
Public Improvements	0	550,000	750,000
Repay Water Fund	0	350,000	0
Deposit to Escrow	1,710,000	0	0
	-----	-----	-----
	\$2,450,000	\$900,000	\$1,550,000

Security Pacific Public Finance



PORTLAND DIVISION
1300 SOUTHWEST FIFTH, SUITE 3030
PORTLAND, OREGON 97201

October 9, 1990

Mr. John Block
Development Services Director
City of Oregon City
320 Warner Milne Road
Oregon City, Oregon 97045

Dear John:

As promised, I am providing additional details on our thoughts with respect to providing underwriting services for the City of Oregon City's initial Urban Renewal financing. We are extremely interested in working with you and the City on this transaction, and, if selected, believe that you will be extremely satisfied with both the level of service we provide and the interest rates obtained.

We analyzed the City's anticipated tax increment resources under two separate scenarios, assuming both that Ballot Measure 5 did and did not pass. Based upon the assumptions laid out below, we would feel extremely comfortable in underwriting the City's Urban Renewal issue without a security interest in the Red Soils property.

In fact, we believe that if an Urban Renewal financing is not internally self-supporting, it should first be reduced in size, rather than secured by a non-liquid asset. The additional security of property does not add to the marketability of the issue, nor does it reduce the interest rate that the City would likely pay. Moreover, such collateral would require the City to retain the services of a Trustee to protect the interests of bondholders in the property. In our view, this form of additional security only increases the paperwork and the associated expenses of the transaction, and therefore is not recommended.

Assumptions:

1. Property Tax Measure Does Not Pass

- o Frozen Value: The frozen value of the Urban Renewal Area was estimated to equal \$4.2 million.
- o Specific Projects: The Berry Hill Shopping Center was assumed to add \$4.4 million to the assessed value of the district in both FY 1990-91 and FY 1991-92. The Randall Business Park was assumed to be completed in the summer of 1991, adding \$5 million to the rolls in FY 1992-93. No other projects were assumed.
- o Assessed Valuation Growth: General growth in the District was estimated at 2.00% annually.
- o Consolidated Tax Rate: The consolidated rate was held constant at ~~\$32.11~~ 34.17 equalling the current rate in the City of Oregon City paid by the largest tax code area.

- o Operating Expenses: Operating expenses of the District were assumed to be paid only after debt service was fully satisfied.
- o Debt Service Term/Rate: 10 years/7.50%.

2. Property Tax Measure Does Pass

- o Frozen Value: Same as above.
- o Specific Projects: Same as above.
- o Assessed Valuation Growth: Same as above.
- o Consolidated Tax Rate: The consolidated rate was held reduced annually through 1995, when it was held constant at \$15.00 per thousand. PLEASE NOTE THAT THIS APPROACH DOES NOT CONFORM WITH THE ATTORNEY GENERAL'S INTERPRETATION OF THE TREATMENT OF URBAN RENEWAL AREAS UNDER THE BALLOT MEASURE.
- o Operating Expenses: Same as above.
- o Debt Service Term/Rate: 10 years/7.50%.

Based upon these scenarios, we have concluded that, assuming the measure does not pass, and that due diligence efforts continue to verify the information used in this analysis, we would feel quite comfortable with a \$2 million issue. A larger issue might be sustainable, depending upon information obtained with respect to additional projects planned or underway and projected growth rates in assessed valuation. The actual size would be determined based upon further discussions with the City and the County Assessor.

Assuming the measure does pass, we believe the City could not issue more than \$1.3 million. In addition, as the Attorney General's opinion suggests that any "cushion" over and above actual debt service payments would be subject to the tax rate ceiling, the City might not be able to issue this much. Therefore, it is hard for us to be precise about the actual issuance amount without a more definitive interpretation.

Given the proximity of the election, we do not believe that a transaction can be completed and closed prior to that date. Even if such action were possible, the rate premium the City would pay to offset investor uncertainty with respect to Urban Renewal financings would likely be prohibitive. We therefore strongly recommend that the City delay issuance until the election results can be fully digested.

However, given the potential arbitrage benefits available to the City if this transaction closes prior to year end, we believe that the City would be well advised to begin document preparation as soon as possible. Please note that Seattle-Northwest would only be compensated if the issue is completed; any assistance we provide prior to that time comes at no charge to the City.

I would be happy to meet with you and your Board to discuss any of the above information at your convenience. Please do not hesitate to contact me if you should have questions.

I look forward to working with you.

Sincerely,

A handwritten signature in cursive script that reads "Carol E. Samuels". The signature is fluid and connected, with a large initial 'C'.

Carol E. Samuels
Assistant Vice President

OREGON BOND INDEX

OREGON A-RATED STATE OF OR G.O.

1990		10 YR.	20 YR.	(AA- & Aa) 10 YR.	20 YR.
JAN.	4	6.55	6.92	6.55	6.92
JAN.	11	6.47	6.88	6.47	6.88
JAN.	18	6.50	7.00	6.51	7.00
JAN.	25	6.66	7.08	6.68	7.10
FEB.	1	6.73	7.14	6.67	7.12
FEB.	8	6.67	7.02	6.68	7.04
FEB.	15	6.65	7.00	6.67	7.01
FEB.	22	6.67	7.06	6.69	7.07
MARCH	1	6.65	7.02	6.65	7.04
MARCH	8	6.62	7.08	6.70	7.10
MARCH	15	6.79	7.15	6.79	7.16
MARCH	22	6.76	7.10	6.76	7.10

BOND BUYER INDEX

(AA) 11 G.O. Bonds	(A) 20 G.O. Bonds
6.89	7.03
6.90	7.03
7.00	7.14
7.06	7.19
7.11	7.24
7.06	7.20
7.03	7.16
7.13	7.27
7.11	7.25
7.11	7.25
7.18	7.32
7.18	7.31

NEGOTIATED SALE RESULTS

- + HOSPITAL FACILITY AUTHORITY OF THE BAY AREA HEALTH DISTRICT (Catholic Health Corporation, Evergreen Court for Retirement Living, Inc., North Bend, Oregon Project) \$4,915,000 Revenue Bonds (Paine Webber) Closed: 3/12/90 Rate: 7.19% (NIC) Matures: 10/1/2014
- + CURRY COUNTY SCHOOL DISTRICT #3C (Gold Beach) \$1,300,000 Certificates of Participation (Seattle Northwest Securities) Closed: 3/15/90 Rate: 7.32% (TIC) Matures: 5/1/2005
- + METROPOLITAN SERVICE DISTRICT (Multnomah County) \$28,500,000 Revenue Bonds (Paine Webber/Shearson Lehman/Dean Witter) Closed: 3/15/90 Rate: Matures: 1/1/2011
- + DEPARTMENT OF GENERAL SERVICES (State of Oregon) 1990 Series I Rate: 6.78% (TIC) Matures: 3/1/97; 1990 Series C & D Rate: 7.28% (TIC) Matures: 3/1/2015 Certificates of Participation (Shearson Lehman/Morgan Stanley/Grigsby Brandford) Closed: 3/22/90
- + CITY OF ELKTON (Douglas County) \$259,900 G.O. Sewer Bonds (FmHA) Scheduled to close: 3/30/90 Rate: 6.00% (TIC) Matures: 3/30/2030
- + CITY OF HILLSBORO (Washington County) \$3,600,000 Series A and \$3,900,000 Series B Urban Renewal Bonds (Security Pacific Bank) Scheduled to close: 4/5/90 Rate: 7.33% A and 7.23% B Matures: 6/1/2000
- + COOS COUNTY URBAN RENEWAL AGENCY (Coos County) \$720,000 Urban Renewal Bonds (Seattle Northwest) Scheduled to close: 4/2/90 Rate: 7.49% (TIC) Matures: 3/1/2000

UPCOMING NEGOTIATED SALES

- + OREGON HOUSING AGENCY (State of Oregon) 1990 Series A \$25,000,000 (Refunding); 1990 Series B \$25,000,000 (Escrow) and 1990 Series C \$10,600,000 Single-family Mortgage Program Scheduled to sell the week of March 26, 1990
- + CLACKAMAS COUNTY HOSPITAL FACILITIES AUTHORITY (Clackamas County) \$6,400,000 Multi-family Elderly Housing Revenue Bonds (Kidder Peabody) Scheduled to sell April 3, 1990

CORRECTED NEGOTIATED SALE RESULT

- + EMERALD PEOPLE'S UTILITY DISTRICT (Lane County) \$22,170,000 Revenue Refunding Bonds (Security Pacific Securities) Closed: 2/21/90 Rate: 6.30% (TIC) Matures: 2/15/92

MARCH 27, 1990 ELECTIONS

CLATSOP COUNTY SCHOOL DISTRICT #10 (Seaside) \$7,495,000 G.O. School Construction Bonds
 DESCHUTES COUNTY SCHOOL DISTRICT #2J (Redmond) \$3,889,147 G.O. School Construction Bonds
 CITY OF UMATILLA (Umatilla County) \$130,000 G.O. Construction Bonds
 TUALATIN HILLS PARK AND RECREATION DISTRICT (Washington County) \$23,793,800 G.O. Bonds

1990 ELECTION SCHEDULE

Filing Deadline	Election Date
March 15	May 15
May 23	June 26
July 2	August 14
August 15	September 18
September 6	November 6

NOTICE OF REDEMPTION
 HOSPITAL FACILITY AUTHORITY OF CLACKAMAS COUNTY
 FIRST MORTGAGE HOSPITAL REVENUE BOND
 SERIES OF 1977
 (DWYER MEMORIAL HOSPITAL)
 CUSIP #179027AL1
 RATE 6 & 1/8%

Notice is hereby given that pursuant to section 3.01 (2) of the Mortgage and Trust Indenture dated April 1, 1977, the Hospital Authority of Clackamas County Oregon hereby calls for redemption at 100% on April 1, 1990 of the above issue, bonds in the amount of \$5,000 each numbered R-65, R-66, R-96, 309, 330, 332, 333, 334, 337, 338, 339, 341, 342, 343, 344, 345, 346, 347, 348, 349, 351, 352, 353, 354, 355, 357, 358, 359, 360, 361, 365 and 366 maturing in the year 1992.

April 1, 1990 the redemption amount will become due and payable together with interest accrued to April 1, 1990 upon presentation and surrender of each bond at Key Trust Company of the Northwest, 1000 Second Avenue, Suite 1100, Seattle, Washington 98104. Interest on said bonds will cease to accrue on and from April 1, 1990.

Dated this 20th day of February, 1990.

By: Dorothy M. Rus
 Trust Officer
 KEY TRUST COMPANY
 OF THE NORTHWEST
 1000 Second Avenue, Suite 1100
 Seattle, Washington 98104

OREGON A-RATED STATE OF OR G.O.

(AA- & Aa)

1990	10 YR.	20 YR.	10 YR.	20 YR.
FEB. 1	6.73	7.14	6.67	7.12
FEB. 8	6.67	7.02	6.68	7.04
FEB. 15	6.65	7.00	6.67	7.01
FEB. 22	6.67	7.06	6.69	7.07
MARCH 1	6.65	7.02	6.65	7.04
MARCH 8	6.62	7.08	6.70	7.10
MARCH 15	6.79	7.15	6.79	7.16
MARCH 22	6.76	7.10	6.76	7.10
MARCH 29	6.75	7.13	6.76	7.14
APRIL 5	6.80	7.16	6.80	7.16
APRIL 12	6.80	7.12	6.82	7.14
APRIL 19	6.86	7.20	6.86	7.20
APRIL 26	6.96	7.28	6.96	7.28
MAY 3	6.90	7.24	6.90	7.25
MAY 10	6.88	7.16	6.88	7.16
MAY 17	6.78	7.05	6.80	7.05

(AA)	(A)
11 G.O. Bonds	20 G.O. Bonds
7.11	7.24
7.06	7.20
7.03	7.16
7.13	7.27
7.11	7.25
7.11	7.25
7.18	7.32
7.18	7.31
7.19	7.33
7.20	7.33
7.17	7.31
7.26	7.39
7.38	7.51
7.40	7.54
7.25	7.39
7.15	7.29

NEGOTIATED SALE RESULTS

- + SALT CAVES (Klamath County) \$250,000,000 Remarketing Two Year Note (Dillon Reed) Closed: 5/1/90 Rate: 6.87% (Coupon) Matures: 5/1/92
- + TUALATIN DEVELOPMENT COMMISSION (Washington County) \$2,900,000 (approximate) Tax Increment Bonds (Security Pacific Bank) Closed: 5/11/90 Rate: 7.98% (TIC) Matures: 7/1/2010
- + CITY OF GRESHAM (Multnomah County) \$7,440,000 Bond Anticipation Notes (Kidder Peabody) Closed: 5/15/90 Rate: 7.18% (TIC) Matures: 10/15/92
- + CITY OF TIGARD (Washington County) \$1,260,000 Certificates of Participation (Security Pacific Bank) Closed: 5/17/90 Rate: 6.85% (TIC) Matures: 6/15/95
- + CITY OF ALBANY (Linn County) \$1,500,000 Water Revenue Bonds (Seattle Northwest) Scheduled to close: 5/24/90 Rate: 7.48% (TIC) Matures: 8/1/2010
- + CITY OF TILLAMOOK (Tillamook County) \$1,104,000 Bond Anticipation Notes (U.S. National) Scheduled to close: 5/25/90 Rate: 7.50% (TIC) Matures: 3/29/91
- + STATE BOARD OF HIGHER EDUCATION (State of Oregon) \$19,537,452.85 (approximate) General Obligation Baccalaureate Bonds (ORBAC), 1990 Series A Scheduled to close: 5/30/90 Rate: 7.17% (TIC) Matures: 8/1/2020
- + YAMHILL COUNTY SCHOOL DISTRICT #293t (Newberg) \$985,000 Certificates of Participation (U.S. National) Scheduled to close: 5/30/90 Rate: 7.05% (TIC) Matures: 5/1/2000
- + TUALATIN VALLEY FIRE & RESCUE (Washington County) \$5,000,000 Certificates of Participation (Seattle Northwest) Scheduled to close: 6/6/90 Rate: 7.18% (TIC) Matures: 6/1/2005
- + CITY OF TIGARD (Washington County) \$300,000 Bond Anticipation Notes Scheduled to sell week of 5/8/90 Sale results not available

UPCOMING NEGOTIATED SALES

- + HOUSING, EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY BONDS (HECFA) Oregon Museum of Science and Industry (OMSI) up to \$30,000,000 (First Chicago Capital Markets, Inc.) Scheduled to sell before 6/30/90
- + HOUSING, EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY BONDS (HECFA) Lewis and Clark College \$12,500,000 (Paine Webber Inc.) Scheduled to sell before 6/30/90

MAY 15, 1990 ELECTION RESULTS

Approved as of May 15, 1990:

CITY OF MILWAUKIE (Clackamas County) \$1,300,000 Water Revenue Bonds
CITY OF SALEM (Marion County) \$3,500,000 G.O. Fire Bonds
MARION COUNTY SCHOOL DISTRICT #76 (Gervais) \$1,315,000 G.O. School Construction Bonds
UMATILLA COUNTY SCHOOL DISTRICT #8R (Hermiston) \$4,990,000 G.O. School Construction Bonds
WASHINGTON COUNTY SCHOOL DISTRICT #29 (Reedville) \$5,375,000 G.O. School Construction Bonds

Defeated as of May 15, 1990:

CLACKAMAS COUNTY SCHOOL DISTRICT #115 (Gladstone) \$4,680,000 G.O. School Construction Bonds
CLATSOP COUNTY SCHOOL DISTRICT #10 (Seaside) \$7,495,000 G.O. School Construction Bonds
SCAPPOOSE PARK & RECREATION DISTRICT (Columbia County) \$2,504,000 G.O. Swimming Pool Bonds
DESCHUTES COUNTY \$9,243,260 G.O. Library Bonds
HOOD RIVER VALLEY PARK & RECREATION DISTRICT (Hood River County) \$2,500,000 G.O. Swimming Pool Bonds
CITY OF TURNER (Marion County) \$3,000,000 G.O. Sewer Bonds
MARION COUNTY SCHOOL DISTRICT #7 (Sublimity) \$1,495,000 G.O. School Construction Bonds

1990 ELECTION SCHEDULE

Filing Deadline

May 23
July 2
August 15
September 6

Election Date

June 26
August 14
September 18
November 6

CITY OF OREGON CITY

Incorporated 1844

Dated

REPORT

October 24, 1990

Page 1 of 1

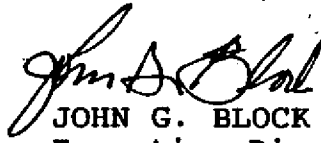
Subject: Downtown Renewal Plan

Report No. 90-34

Attached is a preliminary list of projects, map, and minutes of a special presentation to the Old Home Forum. As the Agency recalls, we had previously discussed the boundary, project areas, and projects and wanted neighborhood participation on the Washington Street and Seventh Street corridor project area.

The Old Home Forum did not officially vote on the inclusion of the project area, but did support the overall plan and presented some project ideas.

I am meeting with the Agency consultants Tuesday, October 23 to go over the projects in more detail. Direction is needed from the Agency on a final boundary, project areas and projects.


JOHN G. BLOCK
Executive Director

JGB:im

attach.

cc: Charles Leeson, Interim City Manager

URBAN RENEWAL AGENCY

Oregon City
PRELIMINARY LIST OF IMPROVEMENTS, BY SUB-AREA
Discussion Draft - September, 1990

Key - Items in Boldface and bullets were included in 1983 Plan

1. PARK PLACE INTERCHANGE AREA

- A. Interchange Improvements
 - 1. Assist ODOT
- B. Pope Lane Land Assembly
 - 1. Create 5-7 acres of freeway commercial
- C. Agnes Av. - Old 82nd Drive
 - 1. Reconstruct Intersection
 - 2. Bikeway (Enhancement Committee Project)
- D. Park Place Court (Light Industrial Area)
 - 1. Cleanup
 - 2. Code Enforcement

2. LAGOON AREA

- A. Assist in Land Assembly for Park
 - 1. Acquire Clackamas River Frontage, inc. 17 acre site.
- B. Assist in Land Assembly for Redevelopment (See item 1a.)
- C. Assist City and Enhancement Committee in development of River Access Trail and Pedestrian Bridge.
- D. Street, Utility, and Drainage Improvements
 - 1. Main Street Rebuilding
 - 2. Agnes Avenue
- E. Waterfront Access to Clackamas River
 - 1. Public Marina
 - 2. Public Dock
- F. Assistance in Site Preparation for Redevelopment (Where eligible)
 - 1. Place pilings, etc. to allow more intensive use of private lands.
- G. Prepare Lagoon Development Plan
- H. Plan for use or removal of Gladstone Water Intake Building.

3. WATERFRONT AREA

- A. ● Parkland Acquisition
- B. ● Clackamas Park Improvements
 - 1. Riverfront Promenade
 - 2. Tour boat dock
 - 3. Public Plaza and Viewing Area
- C. Clackamas Park Access Improvements
- D. Sportcraft Marina
 - 1. Buy out lease.
 - 2. Develop site consistent with Trail Plan.

4. SHOPPING CENTER EXPANSION AREA

- A. Lone Star Property (Site is possible festive center location)
 - 1. Acquisition - Standby assistance for O.C. Shopping Center expansion.
 - 2. Site Preparation and Access for expansion

5. END OF TRAIL AREA

- A. Road Improvements
 - 1. Abernethy Realignment
 - 2. Washington St.
 - 3. Acquisition and Relocation activities for a. and b. above.
- B. Parking Improvements
 - 1. Acquisition and relocation as required to implement.
- C. Site Assembly and Site Preparation for End of Trail Center
- D. Abernethy Creek Improvements

6. DOWNTOWN - NORTH END

- A. ● County Office Consolidation
 - 1. Land Assembly
 - 2. Parking
- B. ● Loan Program - Awnings, Signs, Facade improvements (50% share with CDBG)
- C. ● Building Rehabilitation Loan Program
- D. ● Intersection Improvements
- E. ● Billboard Removal Program
- F. ● Improve 99E pedestrian way

7. DOWNTOWN CORE

- A. Acquisition for redevelopment of "anchor" project.
- B. Parking Improvements
 - 1. Acquire land and build parking structure near courthouse
 - 2. Acquire land and build surface parking on Railroad Ave.
- C. • Loan Program - Awnings, Signs, Facade improvements (50% share with CDBG)
- D. • Streetscaping (Continue existing program)
- E. • Building Rehabilitation Loan Program
- F. • Intersection Improvements
- G. • Billboard Removal Program
- H. • Improve 99E pedestrian way
- I. • Improve Willamette Falls Viewpoint
- J. • Improve McLoughlin Promenade

8. WASHINGTON AND 7TH CORRIDOR (Pending Neighborhood Approval)

- A. Provide Parking
- B. Building Rehabilitation Loan Program
- C. Streetscaping on 7th
- D. Traffic Diversion on Washington
- E. Help implement City Facilities Plan
 - 1. Amphitheater Acquisition
 - 2. Library Restoration and Facade Improvements

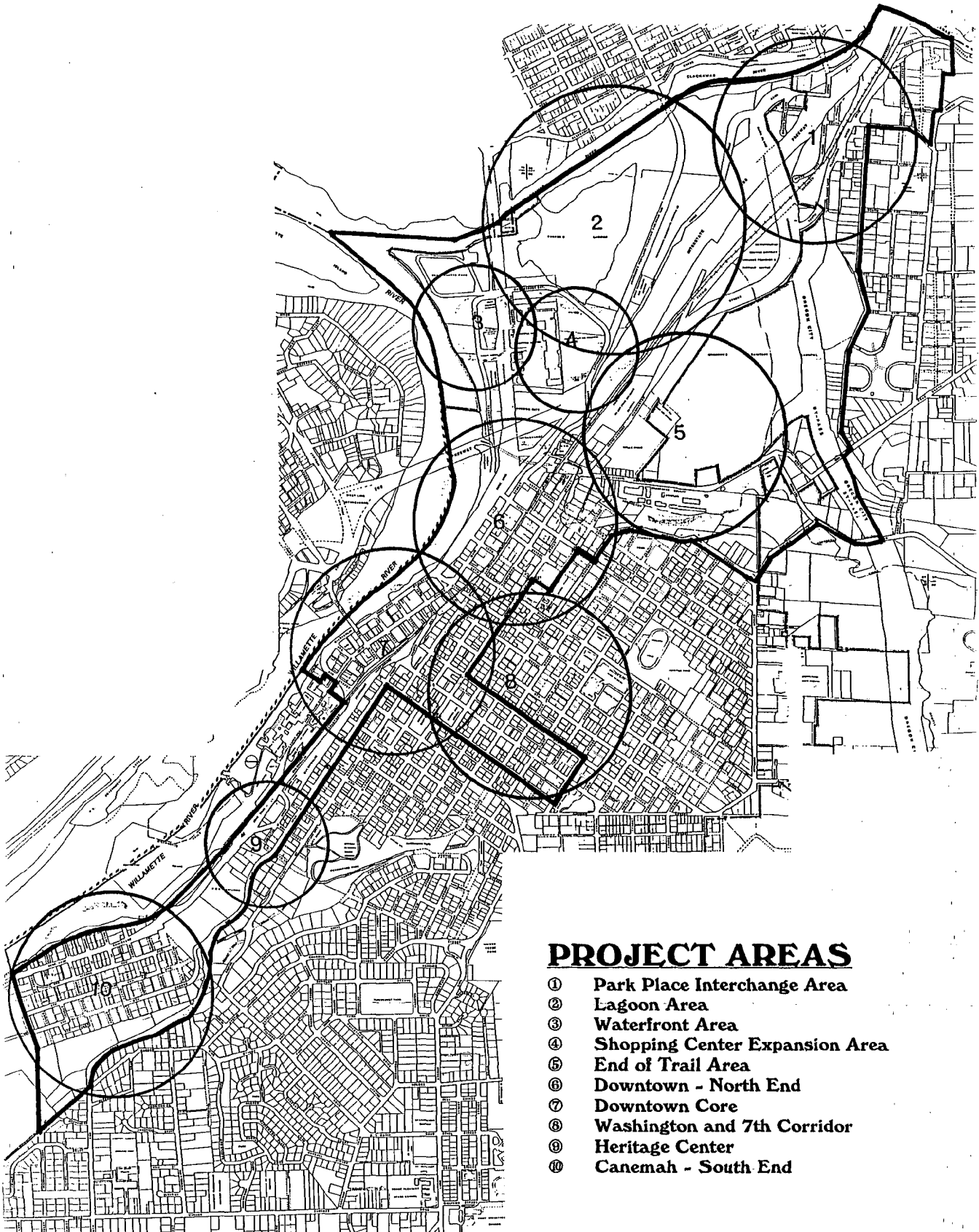
9. HERITAGE CENTER

- A. Intersection Improvements - 2nd St. & 99E
 - 1. Acquire to assist ODOT, remove blight
 - 2. Visitor Information Center, Entry Feature
- B. Intersection Improvements - South End Rd. & 2nd
- C. Add Parking for McLaughlin Promenade

10. CANEMAH - SOUTH END ROAD

- A. Improve South End Road
 - 1. Widen Road
 - 2. Construct Bikepath
- B. Acquisition for Parkland (Consider industrial property on W. side of Rt. 99?)
- C. Utility Improvements

DOWNTOWN RENEWAL PLAN



PROJECT AREAS

- ① Park Place Interchange Area
- ② Lagoon Area
- ③ Waterfront Area
- ④ Shopping Center Expansion Area
- ⑤ End of Trail Area
- ⑥ Downtown - North End
- ⑦ Downtown Core
- ⑧ Washington and 7th Corridor
- ⑨ Heritage Center
- ⑩ Canemah - South End

Oregon City, Oregon
October 16, 1990

PRESENTATION ON
DOWNTOWN URBAN RENEWAL PLAN
OLD HOME FORUM

A meeting of the Old Home Forum was held on the above date in Conference Room "C" of City Hall. Approximately 14 interested citizens were in attendance.

John Block, Development Services Director, provided information concerning Red Soils and the original program of Urban Renewal. He continued by explaining why the downtown area was split off and that the Hilltop District is a "stand alone" district. Bill Daniels inquired of the advantages; this information will be provided during the review process this evening. Block further reported on the devaluation of downtown and its tax offset. The Renewal Agency has never lost sight of downtown and the instruction from the City Commission has been to add to the 1983 Plan and make it work.

The project is beginning over with a new frozen base and the current assessed values and should not go too much lower. Anything added at this time would be an added value and generate tax increment revenue. As an example, the old Oregon Bank Building remodel will be an added value that will be captured, making this a positive beginning. The district has not been established at this time; however, it does need to be in place before January 1, 1991. County office consolidation will not help tax increment, because of tax exempt status, but will aid tax increment benefits if it attracts spin-off private development. Block is confident the County is closer to a decision at this time, but may need to consider Court House needs first.

End of the Oregon Trail project is compatible with renovation of the core area; so the boundary should be expanded to include that area. In response to an inquiry if the boundary could be larger, it was stated that not more than 25% of the City's land base can be in renewal districts. The boundary could be bigger, but the two districts already equal 20% and if the district is too large development may not be able to occur as the money may not be available. End of the Oregon Trail project needs approximately \$30 million for building purposes. No new development can occur in the downtown area, only redevelopment. Therefore the waterfront, Oregon City Shopping Center, Lagoon, and Park Place Interchange areas need to develop in order to provide funding for the downtown core. End of the Oregon Trail will provide spin-off development, therefore, when tax increment is realized from those projects in the downtown core, downtown north end, and Washington and 7th Street corridors could go forward. Oregon City Shopping Center could expand and add about \$5 to \$8 million in added value. The Center is presently valued at \$2.5 million;

it is for sale at \$7.5 million, if sold at the latter amount it would create \$5 million in additional value. If Trammel Crow purchases the center, it may place another \$3 million improvements to the area. The new boundary is needed to capture these developments. The list of proposed projects was reviewed with the consultant yesterday and project costs and schedules tentatively identified.

Interest was expressed in the Washington Street corridor. The proposed traffic diversion to 7th Street/Singer Hill was well received. The plan is to divert traffic by doing downgrading of Washington Street, and making Main Street the access road to the End of the Oregon Trail from the South and emphasize Main Street over Washington Street as the link to the End of the Trail. One method is eliminating the four lanes on Washington Street and re-instituting parking. The Urban Renewal Agency needs to accomplish these projects because of short City funds and property taxes will not be able to provide funding.

Block informed the Forum members of his work in the Sellwood area during his college years. This was a project similar to what needs to be accomplished on 7th Street in Oregon City. He asked them to envision a boulevard similar to the Library Park block along both sides of 7th Street, commenting that some buildings could be removed to meet an increased demand for off-street parking; however, there needs to be a careful balance. He talked of the Facility Plan only briefly, when a comment was made that this group is against City government locating on the second level. Suggestion was made that the Old Home Forum work with the City Commission. In response to another question, there is funding available to home owners for historic rehabilitation as well as the residential paint program. The City was in competition for Block Grant Funds and had to give up some water and sewer funds in order to obtain this program.

The Transportation Master Plan was mentioned, several questions were asked regarding alternate routes. Meyers Road is planned for extension to Highway 213 which should relieve approximately 5% Warner-Milne Road traffic. Lawton Road could be extended to 99-E, but would not alleviate Linn Avenue traffic, and would not function as a South End bypass as originally thought. South End Road and Molalla Avenue need to be improved in order to divert traffic off Linn Avenue.

Intersection improvements for the Heritage Center were discussed in conjunction with the removal of Art's Cafe and Falls View Tavern, then filling the area with tourist services. Urban Renewal is controversial, but it is doable. Additional parking could be provided by vacating Tumwater. It was the consensus of the group that this would be a good project. Block was requested to check on the time frame when the Canemah Conservation District frozen tax sunsets.

Discussion centered on the Festive Center that is to contain the bulk of tourist services at the End of the Oregon Trail such as restaurants, crafts, etc., to provide revenue to support the trail center with a theme similar to Williamsburg.

In response to inquiry, standby assistance is tax increment financing for business relocation. Heavy Industrial uses in the Northend are assessed at \$2.00 per square foot are not economically feasible when the same property zoned Commercial would be assessed at \$10.00 per square foot.

Land assembly for downtown and business relocations were discussed. During discussion it was questioned whether Clackamas County would consider being a tenant. Presently much of the County's space is in the form of leases and they may need to lease more. Block presented a copy of the 1980 Hand Book of Downtown to the group for their use. He stated that if Community Block Grant funds of \$150,000 could be realized and the Urban Renewal Agency provide \$150,000, all facades on the downtown buildings could be completed. This would give a visual improvement. All of the projects listed for the downtown north end area were from the 1983 plan and only 2 projects were added to the 1983 plan for the downtown core.

Discussion turned to the Promenade along the bluff on the second level. There is a considerable amount of pedestrian traffic in that area, especially during the summer. It might be feasible to construct a bridge that would connect the Promenade to the Heritage Center Museum. The landscaping is in dire need of cleanup, scotch broom needs to be eradicated and amenities such as benches and trash receptacles should be provided. The bluff is a nice vista of West Linn, the river and falls; however, the tops of the buildings in the downtown area are in need of enhancement. Daniels suggested that the Elevator and the Promenade along the bluff be a part of the downtown core area. Ideas expressed were that of an Elevator Plaza at the old Oregon Bank Building, perhaps even removal of the Poe Building and constructing a replica of the Chase House. The two-story building just across the street from the old Oregon Bank Building is the carriage house that belonged to the Chase House. Another suggestion was to establish a restaurant near the top of the Elevator.

The Nizich Furniture building could be made into an antique mall because it is large enough for this type of venture and already has the necessary parking. A tram was also suggestion, however, it was noted it would not be readily functional unless the downtown area had a dynamic function. On further discussion, it was mentioned that the Court House, 60,000 square feet, could be purchased from the County and renovated into "fun" shops to attract patrons. The Lagoon area could develop into a "River Place"-type development.

Traffic flow in downtown needs to be changed because it is a problem to the merchants. The traffic flow is directed out of town. Research needs to be done on events that lead to the change. It was concluded there is a need for first class specialty shops and perhaps a theater. Again it was commented that resistance would be felt from the Old Home Forum to City offices on the second level.

A work shop with the City Commission was requested by Forum members. Block was requested to coordinate for Wednesday, November 14, at 8:00 p.m.

An RV Park at Clackamette Park has been proposed. Several members felt this is a necessity. Block explained it would be desirable to begin small. On further discussion it was mentioned that two RV parks should be established to provide competition. The proposed RV Park location in Clackamette Park could be temporary. Also suggested was a Bus Terminal in the vicinity of the End of the Oregon Trail location.

The Dalles would be a fine place to visit and observe what that city has done to overcome the blight of a few years ago. Block challenged the Old Home Forum to check into what The Dalles has accomplished and identify projects that were necessary, because this group could be a very helpful. It was requested the Old Home Forum be notified of any future public hearings on the Downtown Urban Renewal Plan. There being no further business, the meeting ended at 8:45 p.m. Many members expressed their thanks and appreciation to Block for the presentation.

Respectfully submitted,

CITY OF OREGON CITY

Incorporated 1844

Dated

October 24, 1990

Page 1 of 1

REPORT

Subject: Red Soils Marketing Program

Report No. 90-35

Attached is the proposed Red Soils Marketing Program Scope of Services from Ryan Communication. The Scope of Services are a result of direction provided at the Agency's October 10 meeting.


JOHN G. BLOCK
Executive Director

JGB:im

attach.

cc: Charles Leeson, Interim City Manager

URBAN RENEWAL AGENCY

RED SOILS MARKETING PROGRAM

SCOPE OF SERVICES

		<u>Tentative Schedule</u>
I.	Promotional Strategy \$4,000	11-15-90 to 12-15-90
A.	Conduct a series of 15 Focus One interviews with key business and community leaders, members of state tourism and development organizations, and other key individuals.	
B.	Evaluate interview results and provide a report identifying the City's resources and promotional opportunities, problems and market realities.	
II.	Target Industry Study \$9,000	1-15-91 to 3-15-91
A.	Determine the primary amenities and characteristics that are unique to the Red Soils Industrial Park.	
B.	Determine the likely industries that would make viable tenants (selection by SIC codes)	
C.	Conduct an on-line data base search and review of fabricator/manufacturer directories.	
D.	Select preliminary list of target groups and industrial companies and review with City.	
E.	Design and implement a survey of the reviewed companies to determine contact and key personnel, required site amenities and likelihood of relocation.	
F.	Interview and qualify final cross-section of companies and provide City with pertinent leads.	
G.	Prepare a final report summarizing the findings and recommendations of the target industry effort.	

SCOPE OF SERVICES

Page 2

Tentative Schedule

III.	Marketing Support Activities	\$76,000	11-15-90 to 12-15-90
A.	Review and make recommendations on the print and electronic media to use in marketing Red Soils to the target area of Clackamas County, Portland and Southwest Washington.		
B.	Prepare and distribute press releases on the Red Soils development to the selected media: 1. Announcing the land acquisition (Jan. 1991) 2. Announcing the start of construction (Apr. 1991) 3. Announcing the first tenant (July 1991, est.)		
C.	Conceptual development, design and complete production of a two to three color sales presentation collateral.		2-15-91 to 3-15-91
D.	Conceptual development, design and complete production of a multi-impact direct mail effort with integrated follow-up. The number of impacts will be no less than two and no more than four. Direct mail list costs are not included; the target list will be generated by Image Analysis research and client compilation.		3-15-91 to 4-15-91
E.	Design and camera-ready production of a small support print advertisement, for limited placement in select media. The agency will determine the best media placement for the ad, schedule the ad and perform all necessary paperwork and confirmation activities.		4-15-91 to 5-15-91
F.	Other follow on support services as authorized by City within remaining budget		7-1-91 to 9-30-91

Jean

OREGON CITY URBAN RENEWAL AGENCY

There will be a meeting of the Oregon City Urban Renewal Agency on Wednesday, October 10, 1990 at 6:30 p.m. in the Commission Chambers, City Hall, 320 Warner-Milne Road, Oregon City, Oregon.

A G E N D A

1. Approval of August 29, 1990 minutes and September 12, 1990 work session minutes
2. Red Soils Marketing Program - Presentation by Ryan Communication.
3. Urban Renewal Agency Staffing
4. Tax Certification and New Frozen Base Status Report.
5. Red Soils Acquisition Financing Status Report.
6. Red Soils Access Road - Right-of-way Status Report.
7. Downtown Renewal Plan Status Report

Adjourn to Executive Session, per ORS 192.666 (1) (e) Real Property Transactions - negotiations for land acquisition and sale.

OREGON CITY URBAN RENEWAL AGENCY
AUGUST 29, 1990

A meeting of the Oregon City Urban Renewal Agency was held on the above date in the City Commission Chambers at City Hall, 320 Warner-Milne Road, Oregon City.

Those present:

David Spear, Chairman
Robert Light, Secretary
Dan Fowler, Board Member
Suzanne VanOrman, Board Member
Carol Powell, Board Member

John Block, Executive Director
Charles Leeson, Interim City Manager
Irmgard Marggi, Secretary

Also present was one member of the press and approximately 20 interested individuals.

The meeting was called to order at 7:05 by Chairman Spear, who requested approval of the August 8 minutes. It was moved by Light, seconded by Fowler, to approve the August 8, 1990 minutes.

Roll Call: Powell, abstain; Fowler, Aye; Light, Aye; VanOrman, Aye; Spear, Aye.

Report No. 90-27 - Red Soils Subdivision Status Report - was presented by John Block. He reported the Planning Commission recommended approval of the subdivision with conditions that were anticipated and are acceptable to the applicants.

Report No. 90-28 - Red Soils Purchase and Sale Agreement - The final version is being presented to the Agency. The Chairman asked who was involved in the final draft. Block responded that Scott Parker, Clackamas County Legal Counsel and Steve Salvey, Facilities Manager for Clackamas County, prepared the first draft; with some assistance from Gary Spanovich and Tom Vanderzanden of the Clackamas County Department of Transportation and Development. Randy Bateman, from the City Attorney's office, and staff prepared additional drafts of the agreement. It was noted that Dan Fowler and Ed Lindquist were present at some of the negotiations. Block commented there are three parts to the agreement:

1. The initial acquisition of approximately 14.78 acres;
2. An option for the Agency to acquire an additional approximately 15.38 acres;
3. The additional 15.38 acres will be executed following exercise of that option.

On discussion, Powell was concerned about the access road and Beaver Creek Road alignment wondering if this was deleted. It was stated this has been deleted; however, it will appear in a separate agreement. Powell had various concerns and during discussion it was stated the County had provided a high commitment to seek federal and state funding

from which the Urban Renewal Agency will benefit greatly. VanOrman stated that she was not advised on some of the negotiations being held; noting only one Commissioner was present, and having to read the information in the newspaper. She feels more communication is needed from the organization, rather than reading it in the newspaper.

Block responded that the negotiations were very involved, complex, difficult and frustrating - nothing was easy, and believes the Commission has been briefed as much as possible. Fowler responded by stating Block represented the City very well. In terms of Beaver Creek Road, the City got everything they wanted. It was his understanding, through his invitation from the County, that he was in a "balancing" position. Powell appreciates what has been accomplished thus far.

On the issue of Beaver Creek Road, a separate document will be better and easier to track. Clackamas County will provide staff to apply for a lottery grant. County has also agreed to make this a priority project. Chairman Spear commented there is a need to improve communications.

It was moved by Fowler, seconded by Powell, to approve the Purchase and Sale Agreement with Clackamas County involving the Red Soils Project.

On discussion the Agency was informed that Robert Randall Company is dedicating right-of-way at no cost. Sierra Vista and Danielson's will also be asked for dedication of right-of-way. If they do not wish to dedicate, then the property must be obtained by other means. Powell commented Randall benefitted greatly from donating the right-of-way. It was suggested this type of discussion should be withheld for an executive session.

Roll call: VanOrman, Aye; Light, Aye; Fowler, Aye; Powell, Abstain, Spear, Aye.

Report No. 90-29 - Red Soils Access Road Preliminary Engineering Status - Block presented information from maps on the wall, some of which had been provided by Lee Engineering. Block explained the subdivision is for the easterly 30 acres of the County property showing 9 parcels. Explanation of the access road and proposed driveways provided considerable discussion. It was noted the access road improvement is approximately \$250,000 over the budgeted amount and does not include right-of-way acquisition. Additional money would need to be borrowed to complete the access road. Considerable discussion ensued concerning the amount of lanes, driveways, curbs and sidewalks. After further discussion, it was agreed that engineering for the entire project be approved at this time, rather than in phases because it would probably be less costly to complete at this time. Carol Suzuki requested copies of the preliminary engineering. Spear indicated his desire to get this finalized "the sooner the better" and it is commendable that this point has been reached. VanOrman inquired if it will be less costly to do the engineering in full rather than in stages. The response was in the affirmative.

It was moved by VanOrman, seconded by Light, to authorize the final engineering.

Roll call: Powell, Aye; Fowler, Aye; Light, Aye; VanOrman, Aye; Spear, Aye.

Report No. 90-30 - Randall Business Park Status Report - Report was made that Wilson Choy, Project Manager for the Robert Randall Company, has indicated lenders are more conservative at this time than earlier this year. The Randall Company now plans to

begin the project next spring when their Tualatin project is expected to be completed.

Report No. 90-31 - Department of Revenue Opinion - The Department of Revenue has indicated that the Urban Renewal Agency can do what is desired, but it is up to the Clackamas County Assessor to do it. Ray Erland has been helpful thus far, as well as Ollie Norville. Mr. Norville is to meet with John Block tomorrow; then with Mr. Erland, thereby providing a resolution by Friday, August 31. The Department of Justice and Revenue have provided their o.k. Erland has agreed to do it, but must be done by September 7. If adopted, the Plan Amendment will be hand delivered to the Assessor's office tomorrow.

Block requested direction from the Agency on preparing to market Red Soils property. Ryan Communications has requested to do a target industry study that would be very helpful. Another firm, "Image" that has worked for state tourism, is available to develop a marketing brochure. No cost estimate has been provided by either firm. VanOrman wondered if there is a line item for this type of expenditure. There is a line item for these expenditures; however, there may be a problem of available funds.

Comment was made that two of the firms previously interested in Red Soils property have disappeared. The third firm will be contacted soon, and new contacts will be made with regard to earlier inquiries. Wes Wood, a local contractor, has indicated he has information on a very interested client and will be contacted.

It was moved by VanOrman, seconded by Fowler, that John Block be directed to gather information relative to marketing Red Soils.

Roll call: VanOrman, Aye; Light, Aye; Fowler, Aye; Powell, Aye; Spear, Aye.

There being no further business, the meeting was adjourned at 8:10 p.m.

Respectfully submitted,

ROBERT M. LIGHT
Secretary

OREGON CITY URBAN RENEWAL AGENCY

WORK SESSION

September 12, 1990

Those present: Dan Fowler, Board Member
Robert Light, Secretary
Carol Powell, Board Member
Suzanne VanOrman, Board Member
John Block, Executive Director
Charles Leeson, City Manager

Board Member Dan Fowler convened the executive session of the Oregon City Urban Renewal Agency pursuant to ORS 192.666. Executive Director John Block presented several items for consideration. He talked about receiving a letter from Ray Erland that provides information that the Agency will receive the tax increment monies that were previously in question. Comment was made that it appeared the Assessor's Office was not ecstatic about the decision; however, that office is under a tremendous amount of pressure and it was the consensus of the Agency that the right decision had been made. Upon receipt of the funds, the amount will be reflected in the Agency's budget thereby enabling projects to go forward.

Block summarized the Agency's efforts with regard to the Hilltop area. Block will attend the Board of County Commissioner's meeting in the morning and will compliment them on the "official" signing. Red Soils Access Road project will be proceeding; right-of-way dedication documents have been mailed out to all owners involved - Bedford Properties, Stein Oil, Sierra Vista, Danielson's and Randall. All have been requested to donate property because of their potential benefit from the road. Should any owner be unwilling to donate property, then the Agency must go through public acquisition; appraisal, appraisal reviews, and a dollar amount offer to purchase the necessary property. Should there be any refusal, then there remains the process of condemnation proceedings and a court established value. Block doesn't feel the owners will go the condemnation route because it is far too important a project and the owners are aware of this fact. The owners seem to be politically motivated to work with the Agency. However, if they do wish to be compensated, the Agency has the opportunity to measure the benefit of the road to their particular property. Danielson's will benefit from many road improvements, driveway approaches on the new road, drainage improvements and a new signalized intersection to be located between Key Bank and McDonald's. Some discussion ensued on the intersections leading into Danielson's Center.

Left-turn stacking has become an issue, and will undoubtedly require a six-lane roadway between Warner-Milne and Beaver Creek Road. The extra lane is planned to be constructed on Wendy's side of Molalla Avenue. Much effort has been expended on the Hilltop area.

Focus turned to the new downtown plan. Block presented maps showing the proposed areas to be considered, as well as the 1983 boundary for downtown. Plans are to consider the lagoon area, Oregon City Shopping Center, Park Place interchange, and the End of the Oregon Trail. Block asked if the Agency would consider a Washington Street and 7th Street corridor for inclusion into the plan. One response was: Politically, no; aesthetically, yes. Block commented commercial rehabilitation along the 7th Street corridor could only be a win/win situation. Comment was made that if the Agency doesn't do anything there, nothing will happen because it has been this way for 20 years. Another concern voiced was that the various historical societies might be able to tap into tax increment funds for their needs if a two-block width is considered for the 7th Street corridor. It was noted that project lists, for both corridors, will be the determining factor for community support. It was suggested the Old Home Forum be involved in the project selection. Block further suggested that the Canemah area be included, as well as the High Street area. South End Road is in need of improvement. Clackamas County does not intend to improve this road even though they have been requested to do so for at least 2 years. If the Agency would improve South End Road and complete the Warner-Parrott realignment project, traffic could be diverted off 5th Street and Linn Avenue. Comment was made that involvement of the community in the various projects is a wise move.

Discussion ensued on the formation of L.I.D. projects in some of the project areas, and it was commented that URA funds might be a leverage, in the form of match funding, to initiate such improvement districts.

Park Place interchange needs re-development. On the original plan one of the proposed sites for County offices is located in the north; and also included is the lagoon, water front, Oregon City Shopping Center expansion and End of the Trail. Many of the 1983 projects will remain in place because they are good projects. McLoughlin - Second Street intersection and installation of signals could be an additional project improving the South End Road connection. In total, 10 projects were identified. The next steps in the process are to refine the boundaries; identify projects in priority order; preparation of a cash flow analysis, presentation to the Advisory and Enhancement Committees, and finally presentation to the special interest groups. All available information to be presented to the Agency, in the form of a draft, probably by the end of October or early of November. An ordinance needs to be adopted prior to January 1, 1991. There is a need to communicate that the "rush is on" in order for tax benefits to be received. There is a definite need for community involvement, yet the Agency does not want to project an image of being too hasty. Approximately 800 acres are to be included in the downtown area. By adding the 180+ acres from the Hilltop, a total of approximately 18% of the land area in Oregon City would be designated urban renewal. The allowable area for urban renewal is 25%. Discussion ensued on possibilities. It was agreed that the area is due for renewal by age alone.

It was noted that Beaver Creek Road realignment will be a time-consuming project and an effort will be made to procure lottery funds. County has agreed to assist in obtaining such funding.

Sewer Treatment Plant Negotiation Status - Moore Interest Inc., has indicated they are too busy to undertake the project. Howard Moore, along with 2 partners, developed Kruse Way in Lake Oswego. A broker commented there may have been concerns about the price of the property as well as the ability to build a restaurant on the property. In talking with Moore, Block was had the feeling that Moore perceived the project to be an exciting one, but did not have time to do it. Trammel-Crow appears to be interested; however, they are still dealing on the shopping center. If they should purchase the shopping center, they intend to upscale and add to the center. Hotel developer (Quality Inn) is still interested in 2 acres; their broker is to present an offer soon. Financing for hotels seems to be a problem at this time. Bids for demolition of the plant will be opened on September 18 and should be awarded shortly after opening. The Penrod property is in the process of being cleaned up to provide a better view of the river. Other improvements to the area include grading and filling; the State is building a new bridge; Park and Ride is to be improved; and the fire training tower is to be removed. It was noted there is a need to be prudent concerning the amount of land that may be given up in terms of hotel/restaurant needs; that Tri-Met should not come first. Another concern is that Park and Ride may make the property more difficult to sell.

Urban Renewal gave direction to proceed on discussions with Dakota Minerals some time ago. Two letters of intent were submitted to the Bankruptcy Court in Wyoming. The Bankruptcy Court and the attorneys in Portland could never get a good response to us. Granted, not much money, (subject to Urban Renewal Agency approval), was offered. They have gone through at least two brokers that legitimately had listing agreements on the property, as well as two that didn't. Four different realtors have discussed the property; one came wanting to do a deal; however, upon contacting the Portland attorney the information was that the Bankruptcy Court had just revoked their listing. Block has been disappointed with the real estate brokers. The latest broker involved is Mike Ragsdale. One of the dilemmas of the Bankruptcy Court is there are existing leases; they have a 50% other interested party; and they don't know whether to split up and sell in pieces. Our latest offer was to buy the westerly part and Clackamas River frontage, containing approximately 15 acres. They have stated they would be willing to sell for \$1.3 million dollars, or approximately \$1.71 per square foot. Considerable discussion ensued with reference to the flood plain. Block commented this is a unique opportunity because it is a privately owned area. A marina and floating restaurant could be developed; however there is need to establish an irrevocable right to the water way.

A proposed plan could be that at the time the treatment plant property is sold, a deal could be closed on the Dakota Minerals property. All property could initially be bought as park use; then a portion could be sold for marina/hotel/restaurants; applying those proceeds toward further improvements. This could take at least 6 months to accomplish. Mike Ragsdale's only concern is that Mr. Abel is very ill and would like to settle his estate before he dies. An earlier close, than the anticipated 6 months time period, may be expected by the seller. The Assessor's office has placed a valuation of \$1 million on the entire lagoon area. This item will come up for City Commission discussion next Wednesday. Considerable discussion ensued on use and access for the property. It was noted that control of the land is necessary, but it will be a long-term project, and by purchasing now, before redevelopment occurs, the cost will not be prohibitive.

Request is for the Agency to provide authorization to offer the Bankruptcy Court \$1.3 Million for 15 acres, contingent upon the sale of the old Sewer Treatment Plant property, and to seek as much time as possible for closure. If the lagoon develops, or the Shopping Center is expanded, the Agency will realize considerable funds. Realization of such funds will enable the Urban Renewal Agency to become a "player".

When selling the idea to dispose of the Sewer Treatment Plant property to the public, the Commission promised that the Penrod property would be dedicated as park property. This has been done. Another promise was to expand Clackamette Park; acquisition of the 15 acres would aid in the park expansion. Comment was made that if not all promises are kept within the first year of acquiring the Dakota property, something should be done to show good faith. To get an idea, there is a million one here, 700 Park, 400 City. This is a million three, maybe we put 500 thousand or whatever it is for park aside; keep 200 thousand out to redo Clackamette Park and the other waterfront. The other 400 thousand then let URA borrow against that 400 thousand from City funds to be paid back from proceeds; then borrow whatever additional 100 thousand, or so.

Question was raised whether there is any update on the James River strip? It was reported that property is not highly valued. Multnomah County and West Linn have recently received portions of property from James River. Concern was expressed regarding the current fill permit. This will need to be researched with the Division of State Lands. It is already established that there has been filling and Block's suggestion of continuing the filling makes a lot of sense to the board members.

General direction was given to proceed, and return with a proposal at a public meeting. It was agreed that a proposal can be made prior to signing a sale agreement with input on conditions that the Agency desires to include.

Some discussion ensued on the new criteria for Wetlands according to the State. These are believed to be:

1. Vegetation,
2. Standing water,
3. Presence of wild life.

Is there any possibility of the City of Gladstone relinquishing their water tower across the river? No further comment has been received from Gladstone on a letter requesting the clean up of the property, or donation to Oregon City. Their Council met in August, but Block is not sure of the total direction that was given. He thinks instructions were given to obtain costs on demolition. Other sources indicate there are individuals interested in leasing that site. Gladstone may have some value invested in that particular property. Oregon City sold the property to Gladstone during the 1950's.

Discussion centered on Lone Star, who has consolidated all their business to the Oregon City location. At one time Lone Star barged in aggregates; presently this material is being trucked in, and by August 1992 they intend to move the asphalt plant to this location. Lone Star will be "grandfathered" into this site.

Further comments were "there needs to be borrowing in the beginning, but eventually there will be 'tons of money"; and "this is exciting".

Block was thanked for his presentation and requested to provide a developer for the Lagoon before end of the meeting.

Respectfully submitted,

CITY OF OREGON CITY

Incorporated 1844

Dated

REPORT

October 10, 1990

Page _____ of _____

1 1

Subject: Urban Renewal Agency Staffing

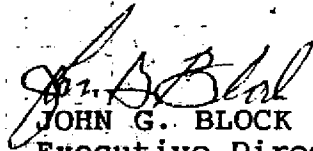
Report No. 90-32

Because of the increase in Urban Renewal activity I am recommending that 50% of Kate Daschel's time be allocated to Urban Renewal. The other 50% of her time will remain in Planning, coordinating the annexation, historic preservation, community development block grant and other special programs.

The intent is to use the salary savings in Planning to hire a part time (30 hours per week) Planning Technician to assist Denyse McGriff on current planning projects. Kate's salary will cost the Agency \$14,214 per year. This combined with the \$7,620 the Agency pays me will bring the Agency's total staff cost to \$21,834 per year.

This approach is still the most cost efficient way to staff the Agency this year. Since the Agency will receive approximately \$155,000 in November from the removal of downtown, funds will be available for the additional staffing.

If the Agency concurs I will prepare a budget resolution transferring the funds from the Contingency line item to personal services line item for Agency approval at the November meeting.


JOHN G. BLOCK
Executive Director

JGB:im

cc: Charles Leeson, City Manager

URBAN RENEWAL AGENCY

CITY OF OREGON CITY

Incorporated 1844

Dated

October 10, 1990

MEMORANDUM

Page 1 of 1

Subject: Tax Certification

Memo No. 90-02

The Clackamas County Assessor has completed the certification of the new frozen base for the Hilltop Urban Renewal District. The Hilltop District has two tax codes, 62-58 (Red Soils) and 62-66 (Berryhill). The new frozen base and current assessed values are shown below:

	<u>Frozen Base</u>	<u>Assessed Value</u>	<u>Added Value</u>
61-58 (Red Soils)	\$2,129,580	\$ 2,933,800	\$ 804,220
62-66 (Berryhill)	<u>4,852,350</u>	<u>8,607,880</u>	<u>3,744,530</u>
TOTALS	\$6,981,930	\$11,541,680	<u>\$4,559,750</u>

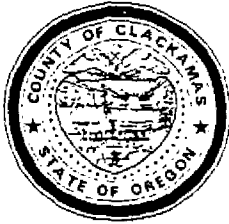
The estimated tax increment revenue on the \$4,559,750 added value is approximately \$155,912.01 for tax year 1990-91. The Agency was successful in removing the downtown devaluation effective this tax year. Thanks go to Ray Erland and his staff for the extra effort to make the recertification.



JOHN G. BLOCK
Executive Director

JGB/im

URBAN RENEWAL AGENCY



CLACKAMAS COUNTY

Department of Assessment and Taxation

RAY ERLAND
COUNTY ASSESSOR

ASSESSOR'S AMENDED CERTIFICATE OF TRUE CASH

VALUE WITHIN OREGON CITY TAX INCREMENT FINANCING DISTRICT #1

CLACKAMAS COUNTY, OREGON

STATE OF OREGON)
) ss.
County of Clackamas)

I, the undersigned, Ray Erland, duly elected and qualified acting Assessor of Clackamas County, Oregon, do hereby certify that, according to the assessment records of said County in my care and custody, the frozen true cash base value of all taxable property within:

OREGON CITY TAX INCREMENT FINANCING DISTRICT #1

Clackamas County, Oregon, has been determined to be distributed as follows:

CODE	REAL PROPERTY	PERSONAL PROPERTY	PUBLIC UTILITY	TOTAL
62-58	1,854,750	69,500	205,330	2,129,580
62-66	4,595,520	139,500	117,330	4,852,350
TOTALS	6,450,270	209,000	322,660	6,981,930

The above recited values reflect the 1983-84 urban renewal values and the 1989-90 amendment to the Urban Renewal Area. The 1989-90 amendment includes the addition of the Berry Hill Shopping Center and the deletion of the downtown area. This certificate supersedes all previous certificates issued for the said Urban Renewal Area.

IN WITNESS WHEREOF, I have hereunto set my hand this 21st day of September, 1990.

ASSESSOR
CLACKAMAS COUNTY, OREGON

Ray Erland

RE/jrm

CITY OF OREGON CITY

Incorporated 1844

Dated

October 10, 1990

MEMORANDUM

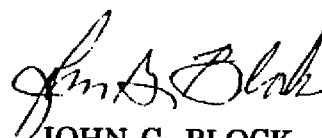
Page 1 of 1

Subject: Red Soils Financing

Memo No. 90-03

Attached is a finance proposal from Seattle Northwest and a proposal from Security Pacific for Agency review. Seattle Northwest is the firm being used for financing the City's Capital Improvements. Security Pacific is the firm that the Agency has used for financial analysis of Agency projects.

The information is provided to acquaint the Agency with the financing structure, term, interest rate, fees and expectations of the Lenders. I plan to work with both Lenders to obtain the best finance structure and rate available.


JOHN G. BLOCK
Executive Director

JGB/im

attach.

cc Charles Leeson, City Manager
J. Scott Harper, Finance Officer

URBAN RENEWAL AGENCY



**Seattle
Northwest**
SECURITIES CORPORATION

PORTLAND DIVISION
1300 SOUTHWEST FIFTH, SUITE 3030
PORTLAND, OREGON 97201

September 13, 1990

Mr. Scott Harper
Finance Director
City of Oregon City
320 Warner Milne Road
Oregon City, Oregon 97045

Dear Scott:

As promised, I am providing information on urban renewal financings, including Seattle-Northwest's experience with such transactions, our sense of the associated interest costs, and the steps necessary to complete such a transaction. I am extremely interested in working with you and the Urban Renewal Agency on such a financing, and believe you will find that our work is of the highest quality. Perhaps most importantly, our experience translates into an ability to obtain the lowest interest rates in the market for our clients.

Urban Renewal Experience

In the last year, Seattle-Northwest has become the leading investment bank in urban renewal finance in Oregon. This experience includes two recent efforts to bring first-time urban renewal issuers to market. Importantly for the issuers, Seattle-Northwest was able to obtain interest rates well below the rates obtained by other firms for similar transactions in that time period. In addition, the firm has worked with the urban renewal agencies of Albany, Klamath Falls, Eugene and Medford. Our demonstrated experience in completing difficult initial urban renewal financings will be valuable to Oregon City in obtaining the best possible advice on structuring and marketing the City's initial urban renewal borrowings.

Descriptions of some of our recent experience is provided below. Each engagement provides a specific example of Seattle-Northwest's working style and ability to follow through.

City of Klamath Falls
Mr. George Jacobs, Finance Director
(503) 883-5316

Seattle-Northwest has worked with the City on a wide variety of financings, including its first issue of revenue bonds, which were sold last week. In addition, Seattle-Northwest staff worked with the Klamath Falls Urban Renewal Agency to analyze various renewal area boundaries, estimate cash flows under different development scenarios and assist in writing the urban renewal plan and report.

Establishing the City's downtown urban renewal area required both complicated financial analysis and a delicate political sensitivity to various financing and plan alternatives.

Despite strong opposition from various local factions, the City was ultimately successful in establishing its downtown urban renewal area.

City of Roseburg
Mr. Lance Colley, Finance Director
(503) 672-7701

Seattle-Northwest recently completed the underwriting of Roseburg's initial urban renewal financing. The \$1.65 million issue closed in August. The bonds were structured as a 10 year financing and are conservatively sized to withstand the projected tax rate impact of the Measure 5 ballot initiative.

Our work with the City of Roseburg demonstrates Seattle-Northwest's willingness and ability to tackle difficult financings. Despite the significant marketing hurdles posed by the spotted owl controversy, the Measure 5 initiative and the generally poor bond market perception of Douglas County issuers, Seattle-Northwest was able to successfully structure and market the City's issue at an all-in interest rate of 7.30%.

Coos County Urban Renewal Agency
Mr. Allan Rumbaugh
Director of Planning
International Port of Coos Bay
(503) 267-7668

In March, Seattle-Northwest successfully brought Coos County's first tax increment bond to market. Seattle-Northwest staff worked with the Agency for nearly two years to bring the initial issue to market. Their financial advisory work included preparing an extensive report for the Agency on various alternative financings. In underwriting the Agency's first issue, Seattle-Northwest achieved an all-in rate equal to the City of Hillsboro's urban renewal bonds issued at the same time. Given the relative credit differences between Hillsboro (underlying "A") and Coos County (underlying "Baa") the Coos County Agency was extremely pleased with the result.

City of Albany
Mr. Gary Holliday, Finance Director
(503) 967-4300

Seattle-Northwest has worked with the City of Albany, Oregon for many years on a wide variety of financings. The firm has served as underwriter to the City's Sewer and Water Revenue Bond programs since their inception and has underwritten five revenue bond issues on the City's behalf. Our most recent experience with the City was as underwriter of a \$1.5 million non-rated junior lien water revenue bond, which was subordinate to a pre-existing general obligation bond issue.

In addition, the firm assisted the City with its first urban renewal financing in 1984. Subsequently, the City asked the firm to review the feasibility of refunding an outstanding issue of tax-increment bonds. After thorough analysis, Seattle-Northwest determined that while savings could be produced from a refunding, they would be insufficient to offset the possible negative impacts of a reduction in the City's credit rating. The City had experienced a decline in the levels of its assessed valuation which, if subjected to a detailed review by the rating agencies, could have resulted in a lowering of the City's ratings. Based on this information, Seattle-Northwest advised the City to forego the refunding and the transaction was not pursued.

**City of Eugene
Mr. Warren G. Wong
Director of Administrative Services
(503) 687-5010**

Seattle-Northwest recently provided underwriting services to the City of Eugene for a Bond Anticipation Note transaction that was subsequently withdrawn from the market because of a lawsuit filed after the pricing and before the closing. The issue is currently being restructured pending the outcome of litigation on the River Road Sewer Project. Seattle-Northwest was able to underwrite this issue when other investment banks were unwilling to and did so during the market turmoil surrounding the Mideast crisis.

In addition, in 1989, Seattle-Northwest acted as senior managing underwriter for a \$6,800,000 advance refunding COP based on tax increment revenues. Working with the City's financing team, Seattle-Northwest successfully underwrote this issue at attractive interest rates resulting in substantial savings to the City. The COPs were rated Aaa/AAA based on a policy of bond insurance obtained from MBIA.

**City of Medford
Mr. Jon Jalali
Finance Director
(503) 770-4432**

Seattle-Northwest serves as financial advisor to the City itself and was recently appointed financial advisor to the Urban Renewal Agency. Our experience with the City includes structuring an extremely complex advance refunding which consisted of four separate series sold simultaneously. We are also currently working with the City on a potential certificate of participation financing. The Urban Renewal Agency, which has not yet issued debt, contemplates selling its first series of Urban Renewal Bonds this fall. In our capacity as financial advisor, we expect to work with the Agency on projecting its tax increment revenues assuming Measure 5 both passes and does not; sizing the bond issue; recommending a competitive or negotiated deal; and coordinating all other transaction details.

Costs of Urban Renewal Bonds

I have attached two amortization schedules which should provide a guide as to the interest rates the City would incur on urban renewal financings in the current market. I explored two different types of financings: one a governmental purpose issue that would be used for public projects such as infrastructure improvements; the other a "qualified redevelopment" issue. The latter type of bond issue, generally used for the purchase of land, is considered a "private activity" bond under the federal tax code, and is subject to the alternative minimum tax. For this reason, these bonds carry a slightly higher rate of interest than governmental purpose issues.

I assumed a 10 year maturity structure for both issues. Since long term rates are currently only slightly higher than short term rates, I believe that the City would be best served by locking in a long term financing now. However, should the City would prefer a shorter term, we would be happy to accommodate that preference.

As you can see, the average coupon rate for the two issues are 6.74% and 7.10%, respectively. When underwriter's discount is considered in the rate, the cost on the two issues is 7.16% and 7.41%. I believe that these rates are extremely competitive for issues

of this type, and will favorably compare with other financing options provided by our competitors.

Steps to a Bond Sale

Information on the specific legal steps necessary to pursue an urban renewal financing is being forwarded by Jim Shannon. In the list that follows, I have detailed the information necessary to complete due diligence and disclosure efforts for completing such a bond transaction.

Necessary Actions

1. The City, with the County Assessor, needs to determine the increment to be received in November, 1991, if any, and provide a description of each of the projects/economic trends that contributed to this increment;

In addition, we will need the actual value that was frozen by the City. **Timing: First Week**

2. The City and Seattle-Northwest should gather information on:
 - anticipated projects or developments within the urban renewal area and their projected effect on valuation;
 - anticipated major projects or developments outside the urban renewal area and their projected effect on valuation;
 - projected changes in the levies of the urban renewal area's overlapping jurisdictions (e.g., expiring or new serial and debt service levies);
 - historical assessed valuation trends for the City and the overlapping areas, and historical tax rates for all jurisdictions (the County Assessor should have this information).
 - the top ten taxpayers in the District, and their assessed values both prior to the District's inception and currently.

This information will enable Seattle-Northwest to prepare projections of the incremental value, and the associated tax increment revenues from the area over the life of the bond issue. **Timing: Third Week**

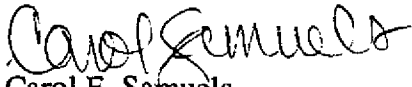
3. Seattle-Northwest will prepare an official statement, the disclosure document required by investors. The City will need to provide general information on its management (names, occupations and terms of office of the City Council; brief biographies of City Administrators); finances (copies of 5 previous audits, recent budget); and projects contemplated to be financed with proceeds of the issue. Most of this information will be available in the official statement we are preparing for the bond anticipation note. **Timing: Fourth Week**
4. Bond Counsel will prepare an authorizing resolution to be adopted by the City Council. This resolution will cover the terms of the issue, the bond covenants and other relevant details. **Timing: Fifth Week**

5. Seattle-Northwest will handle printing and distribution of the official statement. In addition, the firm will assist the City, if requested, in the selection of paying agents and bond printers. **Timing: Sixth Week**
6. Seattle-Northwest will price and sell the bonds. **Timing: Seventh Week**
7. Bond Counsel and Seattle-Northwest will handle closing details. **Timing: Eighth - Tenth Week**

I would be happy to discuss this information with you in more detail at your convenience. Please do not hesitate to contact me if you should have questions or need additional information.

I look forward to working with you.

Sincerely,



Carol E. Samuels
Assistant Vice President

cc: John Block

City of Oregon City
Urban Renewal Bonds, Series 1990
\$740,000 Qualified Redevelopment Issue

DEBT SERVICE SCHEDULE

DATE	PRINCIPAL	COUPON	INTEREST	PERIOD TOTAL	FISCAL TOTAL
7/ 1/91			25,797.50	25,797.50	
1/ 1/92	55,000.00	6.400000	25,797.50	80,797.50	106,595.00
7/ 1/92			24,037.50	24,037.50	
1/ 1/93	60,000.00	6.550000	24,037.50	84,037.50	108,075.00
7/ 1/93			22,072.50	22,072.50	
1/ 1/94	60,000.00	6.700000	22,072.50	82,072.50	104,145.00
7/ 1/94			20,062.50	20,062.50	
1/ 1/95	65,000.00	6.800000	20,062.50	85,062.50	105,125.00
7/ 1/95			17,852.50	17,852.50	
1/ 1/96	70,000.00	6.900000	17,852.50	87,852.50	105,705.00
7/ 1/96			15,437.50	15,437.50	
1/ 1/97	75,000.00	7.000000	15,437.50	90,437.50	105,875.00
7/ 1/97			12,812.50	12,812.50	
1/ 1/98	80,000.00	7.100000	12,812.50	92,812.50	105,625.00
7/ 1/98			9,972.50	9,972.50	
1/ 1/99	85,000.00	7.200000	9,972.50	94,972.50	104,945.00
7/ 1/99			6,912.50	6,912.50	
1/ 1/ 0	90,000.00	7.250000	6,912.50	96,912.50	103,825.00
7/ 1/ 0			3,650.00	3,650.00	
1/ 1/ 1	100,000.00	7.300000	3,650.00	103,650.00	107,300.00
	740,000.00		317,215.00	1,057,215.00	
ACCRUED	740,000.00		317,215.00	1,057,215.00	

Dated 1/ 1/91 with Delivery of 1/ 1/91
Bond Years 4.465.000
Average Coupon 7.104479
Average Life 6.033784
N I C % 7.104479 % Using 100.0000000
T I C % 7.413414 % From Delivery Date

Includes Fees

SEATTLE-NORTHWEST SECURITIES PUBLIC FINANCE DEPARTMENT

RUNDATE: 09-13-1990 @ 12:55:50 FILENAME: KEY:

A M T - Subject to

City of Oregon City
Urban Renewal Bonds, Series 1990
\$550,000 Public Purpose Issue

DEBT SERVICE SCHEDULE

DATE	PRINCIPAL	COUPON	INTEREST	PERIOD TOTAL	FISCAL TOTAL
7/ 1/91			18,221.25	18,221.25	
1/ 1/92	40,000.00	6.250000	18,221.25	58,221.25	76,442.50
7/ 1/92			16,971.25	16,971.25	
1/ 1/93	45,000.00	6.300000	16,971.25	61,971.25	78,942.50
7/ 1/93			15,553.75	15,553.75	
1/ 1/94	45,000.00	6.350000	15,553.75	60,553.75	76,107.50
7/ 1/94			14,125.00	14,125.00	
1/ 1/95	50,000.00	6.400000	14,125.00	64,125.00	78,250.00
7/ 1/95			12,525.00	12,525.00	
1/ 1/96	50,000.00	6.500000	12,525.00	62,525.00	75,050.00
7/ 1/96			10,900.00	10,900.00	
1/ 1/97	55,000.00	6.600000	10,900.00	65,900.00	76,800.00
7/ 1/97			9,085.00	9,085.00	
1/ 1/98	60,000.00	6.700000	9,085.00	69,085.00	78,170.00
7/ 1/98			7,075.00	7,075.00	
1/ 1/99	65,000.00	6.800000	7,075.00	72,075.00	79,150.00
7/ 1/99			4,865.00	4,865.00	
1/ 1/ 0	70,000.00	6.900000	4,865.00	74,865.00	79,730.00
7/ 1/ 0			2,450.00	2,450.00	
1/ 1/ 1	70,000.00	7.000000	2,450.00	72,450.00	74,900.00
	550,000.00		223,542.50	773,542.50	
ACCRUED	550,000.00		223,542.50	773,542.50	

Dated 1/ 1/91 with Delivery of 1/ 1/91
Bond Years 3,315.000
Average Coupon 6.743363
Average Life 6.027273
N I C % 6.743363 % Using 100.0000000
T I C % 7.157582 % From Delivery Date

- Includes fees

SEATTLE-NORTHWEST SECURITIES PUBLIC FINANCE DEPARTMENT

RUNDATE: 09-13-1990 @ 12:51:47 FILENAME: KEY:



SECURITY PACIFIC BANK OREGON

September 20, 1990

John Block, Director
Development Services
City of Oregon City
320 Warner Milne Rd.
Oregon City, Oregon 97045

RE: Start-Up Borrowing for Oregon City Urban Renewal Agency

Dear John:

You asked that I provide you with a terms outline for a credit facility designed fund the Oregon City Urban Renewal Agency's pending acquisition of 12 acres of real property from Clackamas County. This letter responds to that request. Proposed terms are as follows:

Facility Amount:	Approximately \$750,000
Purpose:	To fund the acquisition of real property and pay all attendant costs.
Security:	Pledge of first \$200,000 per year of Agency receipts; insured first trust deed in property.
Amortization:	Cash flow driven, subject to a minimum annual principal amortization requirement of \$100,000. Unamortized balances due on sale of the property or in seven years.
Interest Rate:	80% of SPBO Prime, fully floating, if the obligation is a governmental purpose borrowing within the meaning of the tax code. If the borrowing is structured as a taxable financing, the rate will be SPBO Prime + .35%, fully floating. (Funds borrowed to finance land held for resale may not qualify as a "governmental purpose" borrowing.)

Letter to John Block
September 21, 1990
page 2

Loan Fee:

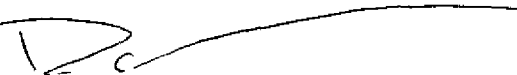
Customary loan fee of 1% will be waived in consideration of first right of refusal on other Agency financing activities during the next five years. Exercise of right of refusal to be contingent upon Agency agreement that proposed financing terms are then current market terms.

Documentation:

This terms outline is not a commitment to advance funds. Such a commitment can only be given pursuant to definitive documentation. Cost of documentation shall be for the account of the Agency.

John, this terms outline was prepared assuming Measure 5 on the November ballot is approved. I also assumed that the County Assessor would certify approximately \$4.5 million in incremental value for the renewal area in mid October of this year. Finally, I assumed that Security Pacific would be able to satisfy itself that at least \$7.5 million in additional increment will be forthcoming in FY 91-92. Please call me if you have any questions or would like to pursue implementation of the financing on these terms.

Sincerely,



Daniel Anderson
First Vice President

Oregon City
PRELIMINARY LIST OF IMPROVEMENTS, BY SUB-AREA
Discussion Draft - September, 1990

Key - Items in Boldface and bullets were included in 1983 Plan

1. PARK PLACE INTERCHANGE AREA

- A. Interchange Improvements
 - 1. Assist ODOT
- B. Pope Lane Land Assembly
 - 1. Create 5-7 acres of freeway commercial
- C. Agnes Av. - Old 82nd Drive
 - 1. Reconstruct Intersection
 - 2. Bikeway (Enhancement Committee Project)
- D. Park Place Court (Light Industrial Area)
 - 1. Cleanup
 - 2. Code Enforcement

2. LAGOON AREA

- A. Assist in Land Assembly for Park
 - 1. Acquire Clackamas River Frontage, inc. 17 acre site.
- B. Assist in Land Assembly for Redevelopment (See item 1a.)
- C. Assist City and Enhancement Committee in development of River Access Trail and Pedestrian Bridge.
- D. Street, Utility, and Drainage Improvements
 - 1. Main Street Rebuilding
 - 2. Agnes Avenue
- E. Waterfront Access to Clackamas River
 - 1. Public Marina
 - 2. Public Dock
- F. Assistance in Site Preparation for Redevelopment (Where eligible)
 - 1. Place pilings, etc. to allow more intensive use of private lands.
- G. Prepare Lagoon Development Plan
- H. Plan for use or removal of Gladstone Water Intake Building.

3. WATERFRONT AREA

- A. ● Parkland Acquisition
- B. ● Clackamas Park Improvements
 - 1. Riverfront Promenade
 - 2. Tour boat dock
 - 3. Public Plaza and Viewing Area
- C. Clackamas Park Access Improvements
- D. Sportcraft Marina
 - 1. Buy out lease.
 - 2. Develop site consistent with Trail Plan.

4. SHOPPING CENTER EXPANSION AREA

- A. Lone Star Property (Site is possible festive center location)
 - 1. Acquisition - Standby assistance for O.C. Shopping Center expansion.
 - 2. Site Preparation and Access for expansion

5. END OF TRAIL AREA

- A. Road Improvements
 - 1. Abernethy Realignment
 - 2. Washington St.
 - 3. Acquisition and Relocation activities for a. and b. above.
- B. Parking Improvements
 - 1. Acquisition and relocation as required to implement.
- C. Site Assembly and Site Preparation for End of Trail Center
- D. Abernethy Creek Improvements

6. DOWNTOWN - NORTH END

- A. ● County Office Consolidation
 - 1. Land Assembly
 - 2. Parking
- B. ● Loan Program - Awnings, Signs, Facade improvements (50% share with CDBG)
- C. ● Building Rehabilitation Loan Program
- D. ● Intersection Improvements
- E. ● Billboard Removal Program
- F. ● Improve 99E pedestrian way

7. DOWNTOWN CORE

- A. Acquisition for redevelopment of "anchor" project.
- B. Parking Improvements
 - 1. Acquire land and build parking structure near courthouse
 - 2. Acquire land and build surface parking on Railroad Ave.
- C. • Loan Program - Awnings, Signs, Facade improvements (50% share with CDBG)
- D. • Streetscaping (Continue existing program)
- E. • Building Rehabilitation Loan Program
- F. • Intersection Improvements
- G. • Billboard Removal Program
- H. • Improve 99E pedestrian way
- I. • Improve Willamette Falls Viewpoint
- J. • Improve McLoughlin Promenade

8. WASHINGTON AND 7TH CORRIDOR (Pending Neighborhood Approval)

- A. Provide Parking
- B. Building Rehabilitation Loan Program
- C. Streetscaping on 7th
- D. Traffic Diversion on Washington
- E. Help implement City Facilities Plan
 - 1. Amphitheater Acquisition
 - 2. Library Restoration and Facade Improvements

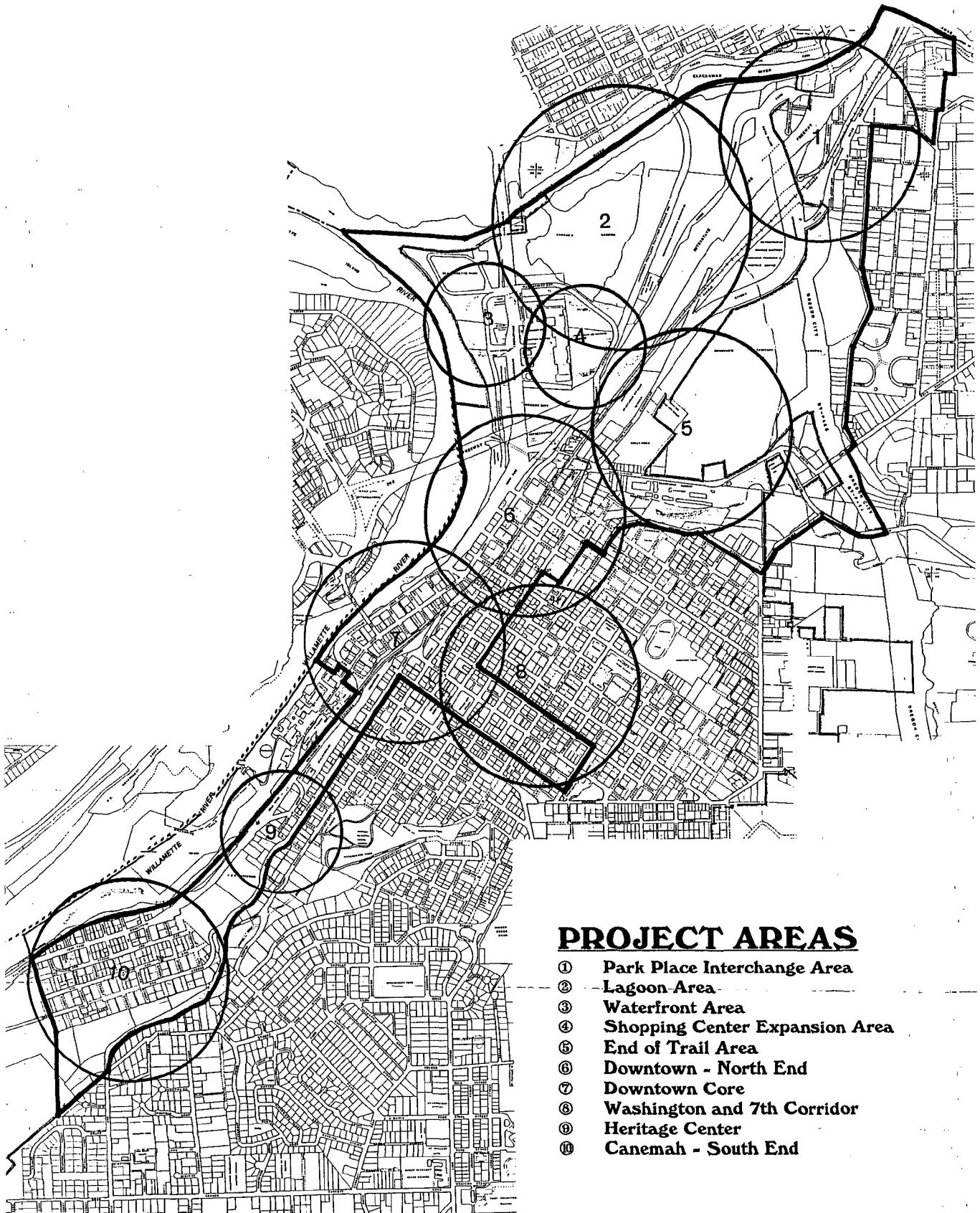
9. HERITAGE CENTER

- A. Intersection Improvements - 2nd St. & 99E
 - 1. Acquire to assist ODOT, remove blight
 - 2. Visitor Information Center, Entry Feature
- B. Intersection Improvements - South End Rd. & 2nd
- C. Add Parking for McLaughlin Promenade

10. CANEMAH - SOUTH END ROAD

- A. Improve South End Road
 - 1. Widen Road
 - 2. Construct Bikepath
- B. Acquisition for Parkland (Consider industrial property on W. side of Rt. 99?)
- C. Utility Improvements

DOWNTOWN RENEWAL PLAN



CITY OF OREGON CITY

Incorporated 1844

Dated

October 10, 1990

MEMORANDUM

Page 1 of 1

Subject: Resignation - Pete Schnell

Memo No. 90-04

This memo is to advise the Urban Renewal Agency that Pete Schnell has tendered his resignation from the Urban Renewal Advisory Board effective October 31, 1990. This resignation leaves one (1) position open on the Urban Renewal Advisory Board.

We would encourage the Agency to consider a replacement. Attached, for your consideration is one application that was received last April.


JOHN G. BLOCK
Executive Director

JGB/im

attach.

cc Charles Leeson, City Manager

URBAN RENEWAL AGENCY

1990 APR 11 PM 2:01

RECEIVED
CITY OF OREGON CITY

C I T Y O F O R E G O N C I T Y

APPLICATION FOR

URBAN RENEWAL ADVISORY COMMITTEE
Name of Board, Commission, or Committee

PHILLIP C. GALT (503) 655-7169 (503) 224-4155
Name Telephone: Home Work

402 JEFFERSON, OREGON CITY, OR 97045 INSURANCE CLAIMS MGR / AGENT
Address Occupation

How long have you been a resident of Oregon City? 3 YEARS.

List prior governmental appointments you have received:

- 1) GOVERNMENT TASK FORCE TO DEVELOP PERMANENT DISABILITY STANDARDS FOR THE STATE OF OREGON WORKERS' COMPENSATION SYSTEM.
- 2) OREGON CITY SCHOOL DISTRICT FACILITIES STUDY FOR GARDINER JR. HIGH.

Are you available, should meetings be called during the day, evening, or weekend? YES

List employment, background and professional activities that could be of benefit to this appointment: I HAVE A BACHELORS DEGREE IN BUSINESS WITH A CONCENTRATION IN FINANCIAL MANAGEMENT. I AM INVOLVED WITH THE LEGISLATIVE PROCESS AS I AM A MEMBER OF THE ASSOCIATED GENERAL CONTRACTORS WORKERS' COMPENSATION LEGISLATIVE COMMITTEE. I CURRENTLY WORK IN THE CLAIMS FIELD AND AM FAMILIAR WITH CONTRACTS AND DISPUTE RESOLUTION, AS WELL AS THE CONDEMNATION PROCESS.

Prior and current community affiliations and activities:

- 1) OREGON CITY SCHOOL DISTRICT PARENT ADVISORY COMMITTEE
2) EASTHAM ELEMENTARY PTA
3) OREGON CITY OLD HOME FORUM

Why does this particular appointment interest you?

AS A RELATIVELY NEW RESIDENT OF OREGON CITY I WANT TO BE ACTIVELY INVOLVED IN THE CITY'S GROWTH AND IMPROVEMENT. WHILE RECOGNIZING THE HISTORICAL VALUE OF THE AREA, I ALSO SEE THE TREMENDOUS NEED FOR A WELL THOUGHT OUT PLAN FOR ECONOMIC DEVELOPMENT IN OREGON CITY.

Phillip C. Galt
Signature

4/9/90
Date

CITY OF OREGON CITY

Incorporated 1844

Dated

August 29, 1990

REPORT

Page 1 of 1

Subject: Red Soils Subdivision Status Report

Report No. 90-27

Attached is a copy of the Planning Division staff report on the Red Soils Preliminary Plat. The Planning Commission is holding a public hearing August 28 on the Preliminary Plat application. The Urban Renewal Agency is a co-applicant with Clackamas County and made the applications to the City.

The reason the Preliminary Subdivision Plat is important at this stage is the Renewal Agency and County will need the Planning Commission approval prior to executing the Red Soils purchase and sale agreement.

Assuming the Preliminary Plat is approved on the 28th, the Renewal Agency will be able to take action on the purchase and sale agreement.


JOHN G. BLOCK
Executive Director

JGB:im

attach.

cc: Charles Leeson, Interim City Manager

URBAN RENEWAL AGENCY



CITY OF OREGON CITY

Incorporated 1844

STAFF REPORT
PLANNING COMMISSION
August 28, 1990

DEVELOPMENT SERVICES
DEPARTMENT
Planning, Building,
Engineering
320 Warner Milne Road
Oregon City, OR 97045
(503) 657-0895

FILE NO.: TP-90-05

HEARING DATE: Tuesday, August 28, 1990
7:00 p.m., City Hall
320 Warner-Milne Road
Oregon City, Oregon 978045

APPLICANT: Oregon City Urban Renewal Agency
320 Warner-Milne Road
Oregon City, Oregon 97045

Clackamas County
902 Main Street
Oregon City, Oregon 97045

PROPERTY OWNER: Clackamas County
902 Main Street
Oregon City, Oregon 97045

REQUEST: Preliminary Approval of a
8 Lot Subdivision

LOCATION: Red Soils area of Oregon City adjacent to
Warner-Milne and Kaen Road; Tax Lot 800, Map
3-2E-5C

REVIEWER: Denyse C. McGriff

CRITERIA:

The approval criteria for a subdivision are set forth in Section 9-10-5 (B) of the City Code. The criteria require:

1. Conformity with the Oregon City Comprehensive Plan;
2. Conformity with the subdivision, zoning, and other ordinances and regulations of Oregon City;
3. Conformity with ORS 92.010 to 92.160; and
4. Conformity with the conditions of approval.

BASIC FACTS:

1. The subject property is known as the County Red Soils industrial area. The City of Oregon City Urban Renewal Agency is proposing to purchase approximately 30 acres.

2. The applicants are proposing an eight (8) lot subdivision on approximately 30 acres on the easterly portion of the 97 acre property.
3. Kaen Road, and a new road connection to Molalla Avenue will provide an access to the sites. Kaen Road is in the process of being widened to a 3 lane roadway. Both Kaen Road and the new road to Molalla are designated as collector streets in the City's Transportation Master Plan.
4. The property is zoned "M-1", Light Industrial and designated industrial on the Comprehensive Plan map.
5. The Oregon City Comprehensive Plan includes the following applicable goals:
 - a. Natural Resources - preserve and manage our scarce natural resources while building a liveable urban environment.
 - b. Commerce and Industry - promote expansion of industrial development within the community's ability to provide adequate facilities and services.
6. ORS 92.010 to 92.160 set forth the State's subdivision requirements including provisions for local governments to adopt standards and procedures for approval of subdivisions. Also included are requirements related to surveying property and the sale of lots.
7. Chapter 9-10 of the City Code sets forth the standards and procedures for subdivision approval.
8. In August, the Division of State Lands accessed the extent of wet lands on proposed lots of 1 and 2 and Tract A and B. A copy of the letter is attached.
9. Minimum dimensional requirement of the M-1 zone are as follows:

Lot Area:	Minimum not required
Front yard setback:	10 feet
Interior side yard:	No minimum
Corner side yard:	10 feet
Rear yard:	10 feet
Buffer zone:	

If a use in this zone abuts or faces a residential or commercial zone, a yard of at least twenty-five feet (25')

shall be required on the side abutting or facing the adjacent residential zone in order to provide a buffer area, and landscaping thereof shall be subject to site plan review.

10. CC&R's with design standards will be provided as part of the purchase agreement between the Urban Renewal Agency and the County.
11. The applicant engineer, Lee Engineering, has submitted a preliminary subdivision plan. A development impact statement has been submitted.
12. Referral comments have been received from the following agencies:
 - a. Building Official - no conflict
 - b. North Willamette Telecom - no conflict
 - c. Police Department - no conflict
 - d. Public Works Superintendent - no conflict
 - e. TCI Cablevision - no conflict
 - f. Northwest Natural Gas Company - There is a 2-inch gas main in Kaen Road which may need to be adjusted when the street is improved
 - g. Oregon City School District - The School District supports the industrial development of Red Soils
 - h. Portland General Electric - Provide a five foot (5') utility easement on all lot sides
 - i. Fire Department - Depending on construction type, occupancy, size and stories of buildings, arrangement of windows and doors, the following may be required:
 - (1) automatic sprinkler systems
 - (2) manual and/or automatic fire detection systems
 - (3) hydrants spaced as close as 200 feet apart
 - (4) internal hydrant loops complete with hydrants
 - (5) internal fire department access roads/lanes
 - j. Clackamas County Planning Department - If proposed Lot 4 is not intended to be buildable it should be renamed "Tract A" and/or a notation on the parcel that it is not intended for building purposes should be shown on the plat. A wet land is located at the south end of proposed "Tract B".

k. City Engineer -

- (1) Streets - the proposed streets conform to the City's Transportation Master Plan and design standards.

A pedestrian easement should be placed between Lots 5 and 6.

- (2) Traffic - a traffic impact study shall be required to determine if a traffic signal is warranted at the intersection of Kaen Road and Warner-Milne Road and what lane configurations would be required.

- (3) Drainage - a storm drainage system shall be required conforming to the City's Drainage Master Plan. Any downstream impacts will need to be analyzed and improvements may be required.

- (4) Sewer - sewer is available in the proposed 86-foot roadway, Library Court, Kaen Road, and Tract B. Additional sewer lines shall be constructed in the proposed cul-de-sac at a sufficient depth to serve Lots 4, 5, 6, and 7.

- (5) Water -

- (a) There is an existing 16-inch water line along the east property line of the site.

- (b) There is an existing 12-inch water line in Kaen Road.

- (c) There is an existing 12-inch water line between proposed Lots 4, 5, 6 and 7.

- (d) To provide adequate fire flow in an industrial/commercial site install a minimum 10-inch water line in the proposed 86 foot right-of-way and the cul-de-sac. The line in the cul-de-sac will need to be connected to the existing 12-inch line.

- (e) The final plat shall show easements for all water lines outside of right-of-way.

- (f) Fire hydrant locations shall be determined by the Fire Department.

6. Wetlands - A Division of State Lands staff person visited the site for a wetlands determination. There is a definite wetland affecting the northern portion of proposed Lots 1 and 2 and Tracts A and

B. A wetland delineation will be required to determine the exact boundaries. Any construction in the wetland will require a permit by the State Division of State Lands and the Corps of Engineers. Mitigation measures may be required.

7. Street Lights - shall be installed at the expense of the developer. Portland General Electric will do the layout and installation to industrial site standards.
8. Street Name Signs and Traffic Control Signs - shall be installed at all street intersections at the expense of the developer. City will install signs and bill developer.
9. Other Utilities - the developer shall make necessary arrangements with the following utility companies for the installation of underground lines and facilities:

Portland General Electric Company
Northwest Natural Gas
U. S. West Communications
TCI Cable

10. General

- a. Prior to the approval of the public improvements, a 2% Engineering Technical Review and Inspection Fee shall be paid.
- b. Upon acceptance by the City, a one year maintenance bond shall be required.
- c. A subdivision improvement agreement shall be required if the final plat is to be recorded prior to the completion of all improvements.

ANALYSIS AND FINDINGS:

1. The proposed subdivision conforms with the comprehensive plan as follows:
 - a. The request satisfies the Commercial and Industry Goal by creating land available for industrial development with adequate facilities and services.
 - b. The request will be able to satisfy the Natural Resources Goal because a wetland determination shall be required

for a portion of the property. The wetland will be preserved.

2. The proposal conforms to subdivision and zoning requirements as follows:

a. Street Design -

The proposed street layout conforms with the general requirements of 9-10-6(B)(1) by providing a circulation system that will serve the proposed lots and provide for public convenience by extending a street between Molalla Avenue and Kaen Road.

The proposed new street will have a right-of-way of 86 feet. This street will be a collector. Kaen Road will have a right-of-way of 60 feet.

Section 9-10-6(b)(6) requires that a collector street intersection with another street shall have at least one hundred feet (100') of tangent adjacent to the intersection. The proposed street has been designed with more than 100 feet of tangent.

The proposed cul-de-sac has a length of 630 feet. This meets the standard of the maximum length of 700 feet as outlined in the Transportation Master Plan.

A street name has not been proposed at this time.

b. Blocks -

The property has been divided into lots, each with a number. The proposed subdivision will not use blocks. The layout of the proposed subdivision meets the basic requirements of 9-10-6(C).

c. Building Sites -

The M-1 zone does not have a minimum lot size. The proposed size, width, shape and orientation of the building sites are appropriate for an industrial park.

Lot and parcel side lines are at right angles to the street.

Solar access - the lots are oriented to allow for structures for solar access.

d. Grading of Building Sites -

A final grading plan is required as part of the final submittal. All drainage shall comply with the Oregon City Drainage Master Plan.

e. Large Building Sites -

This standard applies primarily to residential development. The lots were designed to accommodate industrial park development.

f. Land for Public Purposes -

No portion of the site has been identified as a potential park site, school site, or site for other public purpose. For this reason the provision does not apply.

g. Easement Provisions -

The code requires 5 feet utility easements on all side and rear lot lines. Utility easements shall be depicted on the final plat.

City Code required that provisions be made for storm drainage through the site. The preliminary plan shows provisions for storm drainage; therefore, this standard is met.

h. Conservation -

This section requires that there shall be an easement provided to protect any unusual nature feature as determined by the Planning Commission. A wetland determination will need to be completed. A boundary will be made from this study.

i. Improvements -

All utility and street improvements must meet City standards. Drainage improvements are required to be consistent with the City's Drainage Master Plan and shall meet the approval of the City Engineer as required by Section 9-10-7 (B) (2) of the City Code. The Transportation Master Plan requires that street pavement for a collector street be 26-44 feet in width and that sidewalks be provided on at least one side of the street. Cross sections of the proposed streets are attached and meets the requirements of the Transportation Master Plan and 9-10-7 (B) (2).

j. Zoning Code Requirements -

All proposed lots satisfy the requirements of the zoning code for the "M-1", light industrial district.

The proposal will conform with ORS 92.010 to 92.160, because the City enforces subdivision standards and procedures that are in compliance with state requirements and the proposed subdivision conforms with City requirements. Conformance with land sale and survey requirements are necessary prior to final plat approval.

CONCLUSION AND RECOMMENDATIONS:

Based on the analysis and findings, it is concluded that the proposal generally meets the City's criteria for approval of the subdivision. It is recommended that the preliminary plan be approved subject to the following conditions:

1. The final plat shall show the following:
 - a. A five foot (5') utility easement for all side yards.
 - b. The final wetland boundary shall be shown on the plat.
 - c. Setback lines may be needed in order to preserve any large trees on the site. These trees will be surveyed and shown on the plat after consultation with staff.
2. Streets -
 - a. Street names shall be reviewed and approved by the City prior to final plat approval.
 - b. A 10 foot (10') pedestrian easement to access Hillendale Park shall be required between Lots 5 and 6.
3. Grading -

A site grading plan shall be required as a part of the final construction plans to assure that each lot will drain.
4. Drainage -

A storm drainage system shall be required conforming to the City's Drainage Master Plan. Any downstream impacts shall be analyzed and improvements may be required.
5. Sanitary Sewer -

Additional sewer lines shall be constructed in the proposed cul-de-sac at a sufficient depth to serve Lot 6.

6. Water -

- a. A 10-inch water line shall be constructed in the proposed 86 foot right-of-way and the cul-de-sac. The line in the cul-de-sac shall be connected to the existing 12-inch between proposed Lots 4, 5, 6, and 7.
- c. Fire hydrant locations shall be determined by the Fire Department.

7. Traffic -

- a. A traffic impact study shall be required to determine if a traffic signal is warranted at the intersection of Kaen Road and Warner-Milne Road and what lane configurations may be required.
- b. Construction vehicles and other vehicles with any future development shall park on the construction site. Hours of construction shall be 7:00 a.m. to 6:00 p.m., Monday through Saturday. Construction is prohibited on Sunday.

8. Wetlands -

A wetland area exists on a portion of Lots 1 and 2, and Tracts A and B. A determination of the actual boundary shall be required. The wetland study and boundary shall be reviewed and approved by the Division of State Lands (DSL) and the Planning Division. If a permit is required, review and approval shall include DSL, the Corps of Engineers and the Planning Division.

9. Utility Location - See attached sketch for typical utility locations.

10. Street Lights - Street lights shall be installed at the expense of the developer. Portland General Electric will do the layout and installation. Any necessary electrical easements will be shown on the final plat.

11. Street Name Signs and Traffic Control Signs shall be installed at all street intersections at the expense of the developer. City will install signs and bill developer.

12. Other Utilities - The developer shall make necessary arrangements with the following utility companies for the installation of underground lines and facilities:

- Portland General Electric
- Northwest Natural Gas
- U. S. West Communications

- TCI Liberty Cable

General -

- a. Prior to approval of public improvements a 2% Engineering Technical Review and Inspection Fee shall be paid.
- b. Upon acceptance by the City, a one year maintenance bond shall be required.

The applicant shall meet all the requirements of 9-10-9 Final Procedure, for Subdivisions.



CITY OF OREGON CITY

Incorporated 1844

DEVELOPMENT SERVICES
DEPARTMENT
Planning, Building,
Engineering
320 Warner Milne Road
Oregon City, OR 97045
(503) 657-0895

LAND USE APPLICATION FORM SUBDIVISION

.....

The following is a brief summary of an application that has been received by the Oregon City Development Services Department. You may provide written comment on the proposal no later than the date indicated below. Additional information may be obtained at the Planning Division office.

APPLICATION # TP90-05 (please use this file # when contacting the Planning Division)

APPLICANT'S NAME: Clackamas County/ Oregon City Urban Renewal Agency

PROPERTY OWNER (if different): Clackamas County

ENGINEER OR SURVEYOR: Lee Engineering

PHYSICAL ADDRESS OF PROPERTY: Red Soils property

DESCRIPTION: TOWNSHIP 3S RANGE 2E SECTION 5C TAX LOT 800

CLOSEST INTERSECTION: Warner Milne Road/Kaen Road

DISTANCE & DIRECTION TO INTERSECTION: 1000'

SEWER: public ON-SITE DISPOSAL SYSTEM:

PRESENT USE OF PROPERTY:

Vacant

MAP LOCATING SUBJECT PROPERTY

PRESENT ZONE: M-1 Light Industrial

TOTAL AREA OF PROPERTY: 97 acres

MINIMUM LOT SIZE PROPOSED: 3-4 acres

MINIMUM LOT WIDTH PROPOSED: 350'

MINIMUM LOT DEPTH PROPOSED: 450'

NUMBER OF LOTS PROPOSED: 11

LAST DAY TO SUBMIT TESTIMONY:

Tuesday, August 28, 1990

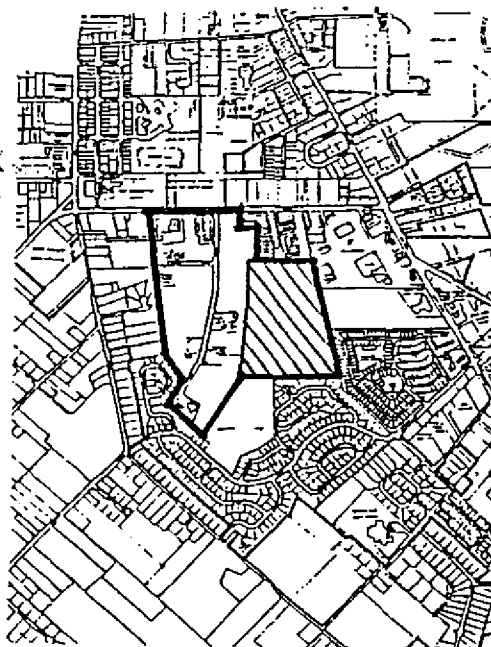
DATE/TIME/PLACE OF PUBLIC HEARING:

Tuesday, August 28, 1990

7:00 PM

City Hall Commission Chambers

320 Warner Milne Road, Oregon City



MORTGAGEE, LIENHOLDER, VENDOR, OR SELLER: ORS CHAPTER 227 REQUIRES THAT IF YOU RECEIVE THIS NOTICE, IT MUST BE PROMPTLY FORWARDED TO THE PURCHASER.

NOTICE OF PUBLIC HEARING

HEARING DATE: Oregon City Planning Commission; Tuesday, August 28, 1990; 7:00 PM; City Hall, 320 Warner Milne Road, Oregon City

TO: Adjacent Property Owners and Residents

Subject: Request for Tentative Plat (subdivision)

File No.: TP90-05

Applicant: Clackamas County/Oregon City Urban Renewal Agency

Owner of Property: Clackamas County

Proposal: Develop an 11-lot industrial subdivision

Location: South side of Warner Milne Road, east and west of Kaen Road

Site Address: commonly known as Red Soils

Legal Description: Tax Lot 800, Map 3-2E-5C

Zoning: M-1 Light Industrial

Planning Division Staff Contact: Denyse McGriff (657-0891)

Criteria: Set forth in Section 9-10 of the City Code. A full listing of applicable criteria and standards will be set forth in the staff report, which is available to the public at City Hall seven days prior to the hearing.

Publish Date: Wednesday, August 8, 1990

The application and supporting documents are available for inspection at the Oregon City Planning Division, City Hall. The staff report also is available for inspection seven days prior to the hearing. Copies of the application and staff report may be obtained in advance of the hearing.

All interested citizens may testify at the public hearing or submit written testimony prior to the hearing. The procedures for conduct of hearings are posted in Commission Chambers.

Pleased be advised that the failure to raise an issue, in person or by mail, with sufficient detail to afford the Planning Commission and the parties an opportunity to respond, precludes appeal of that issue to the Land Use Board of Appeals.

CITY OF OREGON CITY

Incorporated 1844

Dated

August 29, 1990

REPORT

Page 1 of 1

Subject: Red Soils Purchase and Sale Agreement

Report No. 90-28

Attached is the latest draft of the Red Soils Purchase and Sale Agreement for Agency Review. A final negotiated version is planned to be ready for the August 29th meeting. The Agreement is comprised of three parts:

1. Purchase and Sale Agreement for the initial purchase of approximately 13 acres.
2. Option to purchase an additional approximately 17 acres.
3. Agreement for the sale of the additional 17 acres when the option is exercised.

The Agreements are consistent with the general terms identified in the July 5 joint meeting with the Board of County Commissioners.

Assuming the Preliminary Plat is approved and the Purchase and Sale Agreements are satisfactory, the Agency can adopt a motion approving the execution of the agreement. The Agreement will then be sent to the Board of County Commissioners for their execution.

Because the Agency's execution of the Agreement is an offer to purchase, a time frame should be put into the transmittal letter that says that the offer will be withdrawn if not acted on by the Board by September 13. This gives the Board at least two meetings to schedule the Agreement for approval.


JOHN G. BLOCK
Executive Director

JGB:im

attach.

cc: Charles Leeson, Interim City Manager

URBAN RENEWAL AGENCY

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT OF PURCHASE AND SALE ("Agreement") is made and entered into this ____ day of _____, 1990, by and between CLACKAMAS COUNTY, a political subdivision of the State of Oregon ("Seller") and OREGON CITY URBAN RENEWAL AGENCY a municipal corporation of the State of Oregon ("Purchaser").

RECITALS:

A. Seller owns the real property in Clackamas County, Oregon, set forth on the map which is marked Exhibit "A", attached hereto and by reference incorporated herein (the "Map"). The property is commonly referred to as the "Red Soils Property". The "area to be acquired", as designated on the Map, is hereinafter referred to as the "Property". The Property consists of approximately thirteen (13) acres.

B. In addition to the Property, Seller also owns approximately seventeen (17) additional acres which are designated on the Map as the "area to be optioned." This property is hereinafter referred to as the "Option Property."

C. Purchaser desires to acquire from Seller the Property and obtain an option to purchase the Option Property.

D. The Property, the Option Property, and certain other real property which is adjacent to and contiguous with the Property and the Option Property is currently the subject of an application for a subdivision which was filed July 20, 1990, by Seller under Application No. TP 90-05. Tentative approval of the subdivision application was granted by the City of Oregon City on August 28, 1990. The subdivision application and the tentative subdivision approval are hereinafter collectively referred to as the "Subdivision Plan". The Subdivision Plan provides for the dedication of a right-of-way as shown on the Map and certain utility easements and other conditions which are not shown on the Map.

NOW, THEREFORE, based upon the foregoing Recitals, and the mutual covenants hereinafter set forth, the parties agree as follows:

AGREEMENTS

SECTION 1 PURCHASE AND SALE

Seller hereby agrees to sell to Purchaser, and Purchaser hereby agrees to purchase from Seller, the Property for the price and in accordance with the terms and conditions set forth in this Agreement.

SECTION 2 PURCHASE PRICE AND PAYMENT

2.1 Purchase Price

The purchase price for the Property shall be _____ Dollars (\$_____). This purchase price is based upon a price of one dollar and fifteen cents (\$1.15) per square foot of the Property.

2.2 Payment of Purchase Price.

The purchase price shall be paid as follows:

2.2.1 **Earnest Money Deposit.** Seller acknowledges that Purchaser has advanced funds for title work, surveys and environmental assessments. As set forth in Section 7.2.2 below, if Purchaser fails to complete the purchase, Purchaser has agreed to deliver the original survey, environmental assessment and title work to Seller. The original survey, the environmental assessment and the title work are hereinafter collectively referred to as the Earnest Money Consideration.

2.2.2 **Cash at Close of Escrow.** On or before the closing date, Purchaser shall deposit into escrow in cash or cash equivalent the purchase price.

SECTION 3 TITLE REPORT

Within ten (10) days after the date hereof, Seller shall order and deliver to Purchaser a preliminary title report (the "Preliminary Commitment") covering the Property and the Option Property from Ticor Title Insurance Company and establish a closing escrow. Purchaser shall have not later than twenty (20) business days after receipt of: (i) a copy of the Preliminary Commitment, (ii) legible copies of all documents shown therein as exceptions to title, and (iii) the survey provided for in Section 4.3 below, within which to give notice in writing to Seller of any objection to such title or to any liens or encumbrances affecting the Property or the Option Property; provided, however, Purchaser shall not be required to object to any monetary liens or encumbrances in that Seller hereby expressly agrees to remove them at or prior to the date of closing. In the event Purchaser fails to raise any such objection within such twenty (20) day period, all conditions and exceptions to title set forth in such Preliminary Commitment (other than monetary liens and encumbrances) shall be "Permitted Exceptions." In the event Purchaser objects to an exception to title, Seller shall be obligated to notify Purchaser within ten (10) days after notice of such objection whether Seller is able to remove such exception. If Seller is able to remove such exception, Seller shall do so at or prior to closing. If Seller is not able to remove the objected-to exception, Purchaser may, by written notice to Seller within ten (10) days after notice of Seller's inability to remove such exception, terminate this Agreement, or Purchaser

may elect to acquire the Property and accept the option on the Option Property subject to such exception. All exceptions described in the Preliminary Commitment and not removed or to be removed pursuant to this Section 3 shall be "Permitted Exceptions."

SECTION 4 CONDITIONS OF PURCHASER'S OBLIGATION TO CLOSE

Purchaser's obligation to close this transaction shall be subject to the satisfaction or waiver by Purchaser of all of the following conditions within the time permitted therefor:

4.1 Seller's Obligations.

Performance by Seller of all of its obligations pursuant to this Agreement.

4.2 Title.

Purchaser shall have approved the title to the Property and the Option Property in accordance with Section 3.

4.3 Survey.

Seller has, on the date hereof, delivered to Purchaser a survey covering the Property and the Option Property certified to Purchaser in sufficient detail to provide the basis for the title insurance policies referred to in Section 5.6 below, without boundary, encroachment or survey exceptions, and showing the location of all easements and any and all other pertinent information with respect to the Property and the Option Property. Purchaser shall have the right to approve such survey as a condition of closing.

4.4 Subdivision.

It shall be a condition of closing that there be issued, by the City of Oregon City, Oregon, a final nonappealable approval of the Subdivision Plan and it shall be a condition of closing that there shall have been recorded a final plat of the subdivision.

4.5 Environmental Matters.

Seller has, on the date hereof, delivered to Purchaser a written environmental audit or assessment (including a wetlands assessment) prepared by a professional environmental consultant or consultants which is subject to Purchaser's acceptance and the acceptance of Purchaser's perspective lender, analyzing the actual or potential contamination of the Property and the Option Property by hazardous substances as defined by applicable federal, state and local laws (the "Environmental Report"). Purchaser and Seller acknowledge and agree that the Environmental Report shall be supplemented in written form if requested by Purchaser. In the event that Purchaser obtains additional information or becomes

aware of additional facts which indicate actual or potential contamination of the Property or the Option Property by hazardous substances (as defined above) other than as shown in the Environmental Report and supplements thereto, Purchaser shall have the right, but not the obligation, to require further investigation, sampling and analysis by an environmental consultant acceptable to Purchaser. Purchaser shall have the right to approve the Environmental Report and all supplements thereto as a condition of closing.

4.6 Financing.

It shall be a condition of closing that: (i) Purchaser receive a loan commitment from an institutional lender on terms and conditions acceptable to Purchaser and (ii) such loan actually be funded and closed.

4.7 Earnest Money Consideration Forfeiture.

In the event one or more of the above conditions are not met prior to the date of closing, Purchaser may terminate this Agreement by notice to Seller and shall provide Seller with the documents included within the definition of Earnest Money Consideration.

SECTION 5 CLOSING

5.1 Escrow.

The purchase of the Property and the granting of the option on the Option Property shall be closed in escrow at Ticor Title Insurance Company, and the cost of the escrow shall be shared equally by Seller and Purchaser.

5.2 Closing Date.

Subject to the satisfaction or waiver by Purchaser of the conditions set forth in this Agreement, the closing date shall be the later to occur of (i) December 31, 1990 and (ii) the date of a final nonappealable approval of the Subdivision Plan and recording of the final plat. The foregoing notwithstanding, this Agreement shall be null and void if the final nonappealable approval of the Subdivision Plan has not been secured and the final plat filed by June 30, 1991.

5.3 Events of Closing.

At closing, Purchaser shall pay into escrow the purchase price set forth in Section 2.1 above less any credit to Purchaser pursuant to this Agreement. Seller shall deliver a statutory warranty deed conveying the Property to Purchaser, subject only to the Permitted Exceptions. Seller shall also deliver the Option Agreement referred to in Section 9.1 below. The legal descriptions

attached to the statutory warranty deed and the Option Agreement shall be the legal descriptions set forth in the survey provided by Seller and approved by Purchaser pursuant to Section 4.3 above.

Finally, both parties shall execute and deliver the CC&Rs, as defined in paragraph 9.3 below.

5.4 Charges and Prorates.

Current nondelinquent city and county real estate taxes and interest on assessments shall be prorated between Purchaser and Seller as of the close of escrow on the basis of a thirty (30) day month; however, the parties do not believe there will be any taxes owing in that both Seller and Purchaser are entities entitled to own property without any property tax liability. Seller and Purchaser shall each pay one-half (1/2) of the premium for an extended ALTA owners policy of title insurance on the Property and one-half (1/2) of the premium for an extended ALTA purchasers policy of title insurance on the Option Property as described in Section 5.6 and all recording fees shall be paid equally by the parties. Seller and Purchaser shall each be responsible for one-half (1/2) of the cost of the Seller's existing appraisal, the survey to be delivered pursuant to Section 4.3 above, the subdivision filing fees referred to in Section 4.4 above, and the Environmental Report and all supplements thereto to be delivered by Seller pursuant to Section 4.5 above. All such amounts shall be collected and paid at closing.

5.5 Possession.

Purchaser shall be entitled to possession of the Property as of the date of recording of the deed and the Option Agreement.

5.6 Title Insurance Policy.

At closing, Seller shall deliver to Purchaser an extended ALTA owner's policy of title insurance (or a binding commitment therefor) in the total amount of the purchase price, insuring title to the Property as described in Section 3 in Purchaser, subject only to the Permitted Exceptions. Seller shall also, at closing, deliver to Purchaser an extended ALTA purchaser's policy of title insurance (or a binding commitment therefor) in the total amount of the purchase price (which purchase price shall be determined by assuming the option is exercised), insuring title to the Option Property as described in Section 3 in Purchaser, subject only to the Permitted Exceptions. The title insurance policies shall also contain such endorsements as may reasonably be required by Purchaser's lender. The premium for the title insurance policies and endorsements shall be paid one-half (1/2) by Seller and one-half (1/2) by Purchaser.

SECTION 6 INSPECTION

During the term of this Agreement, and for the purposes of those items described in Section 4 above, Purchaser and its representatives shall be entitled to go upon the Property and the Option Property for the purpose of making or conducting any inspection, investigation, test or survey reasonably related to the purchase of the Property or the Option Property or to Purchaser's prospective use thereof, provided only that (a) all such activities shall be without expense to Seller, (b) Purchaser shall not interfere with the current operation of the Property or the Option Property and (c) Purchaser shall protect, defend and hold harmless Seller from any loss, liability or damage to persons or property arising out of and related to Purchaser's activities on the Property. Seller shall cooperate in all reasonable respects with Purchaser's efforts to inspect, investigate, test and survey the Property and the Option Property during the term of this Agreement.

SECTION 7 DEFAULT AND REMEDIES

7.1 Time of Essence.

Time is of the essence of the parties' obligations under this Agreement.

7.2 Legal and Equitable Enforcement of this Agreement

7.2.1 Default by Seller. In the event the close of escrow and the consummation of the transactions herein contemplated do not occur by reason of a default by Seller, Purchaser shall be entitled to all of its out-of-pocket expenses incurred in connection with the transaction and shall have the right to pursue any other remedy available to it at law or equity, including the specific performance of this Agreement.

7.2.2 Default by Purchaser. IN THE EVENT THE CLOSE OF ESCROW AND THE CONSUMMATION OF THE TRANSACTIONS HEREIN CONTEMPLATED DO NOT OCCUR BY REASON OF ANY DEFAULT OF PURCHASER, PURCHASER AND SELLER AGREE THAT IT WOULD BE IMPRACTICAL AND EXTREMELY DIFFICULT TO ESTIMATE THE DAMAGES WHICH SELLER MAY SUFFER. THEREFORE, PURCHASER AND SELLER DO HEREBY AGREE THAT A REASONABLE ESTIMATE OF THE TOTAL NET DETRIMENT THAT SELLER WOULD SUFFER IN THE EVENT THAT PURCHASER DEFAULTS AND FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY IS AND SHALL BE THE VALUE OF THE EARNEST MONEY CONSIDERATION, WHICH CONSIDERATION REPRESENTS THE AMOUNTS ADVANCED BY PURCHASER THEREFORE. DELIVERY OF THE DOCUMENTS CONSTITUTING THE EARNEST MONEY CONSIDERATION SHALL BE THE FULL, AGREED AND LIQUIDATED DAMAGES FOR THE BREACH OF THIS AGREEMENT BY PURCHASER, ALL OTHER CLAIMS TO DAMAGES OR OTHER REMEDIES BEING HEREBY EXPRESSLY WAIVED BY SELLER. UPON DEFAULT BY PURCHASER, THIS AGREEMENT SHALL BE TERMINATED AND NEITHER PARTY SHALL HAVE ANY FURTHER RIGHTS OR OBLIGATIONS HEREUNDER, EACH TO THE OTHER, EXCEPT FOR THE RIGHT OF

SELLER TO OBTAIN POSSESSION OF THE DOCUMENTS CONSTITUTING THE EARNST MONEY CONSIDERATION FROM PURCHASER.

SECTION 8 REPRESENTATIONS AND WARRANTIES

8.1. With respect to the Property and the Option Property, Seller represents and warrants to Purchaser that:

8.1.1 Seller has no knowledge of any condemnation, zoning, or other land use proceeding, either instituted or threatened, which could materially and adversely affect the value or use of the Property or the Option Property, nor has Seller received any notice of any special assessment proceedings with respect to the Property or the Option Property;

8.1.2 There are and at closing will be no contaminants, pollutants, hazardous chemicals, petroleum products or similar substances located on the Property or the Option Property which could result in a diminution in its value or any liability for clean-up or other expenses of any nature whatsoever; and there are and at closing will be no contaminants, pollutants, hazardous chemicals, petroleum products or similar substances which became located on the Property or the Option Property during the period of time the Property and the Option Property have been owned by Seller and which substances could result in any diminution in its value or any liability for clean-up or other expenses of any nature whatsoever.

8.1.3 To the best of Seller's knowledge, at the closing there will be no parties in possession of any portion of the Property or the Option Property, nor any parties with any right to such possession, other than Purchaser and except as allowed pursuant to the Permitted Exceptions.

SECTION 9 POST CLOSING COVENANTS AND AGREEMENTS

In addition to the covenants and agreements set forth above which, by their terms, will not be performed prior to the date of closing, the following additional covenants and agreements shall be operative following the date of closing:

9.1 Option.

Following the date of closing, Purchaser shall have an option to purchase the Option Property in accordance with the terms of the Option Agreement which is marked Exhibit "B", attached hereto and by reference incorporated herein. The Option Agreement shall be delivered by Seller to Purchaser at closing and shall be recorded contemporaneously with the recording of the deed referred to in Section 5.3 above.

9.2 Red Soils Access Road and Beaver Creek Realignment.

9.2.1 Purchaser agrees to fund and construct a road running continuously from Molalla Avenue to Kaen Road in accordance with the road design standards marked exhibit "C", attached hereto and by reference incorporated herein. The road design standards consist of a design for connection to Kaen Road and a cross section.

9.2.2 Seller agrees to undertake the Beaver Creek realignment and agrees to fund and construct the project. Such construction shall occur in accordance with the design standards marked Exhibit "D", attached hereto and by reference incorporated herein.

9.2.3 Both parties acknowledge that the traffic engineering analysis performed by the parties reveals that the Red Soils access road should not be constructed until the Beaver Creek realignment is constructed. Therefore, Purchaser's obligation to construct the Red Soils access road shall not accrue until the Beaver Creek realignment has been constructed.

9.3 Covenants, Conditions and Restrictions.

Seller and Purchaser agree to execute, acknowledge and record with the Clackamas County Recorder's Office, the covenants, conditions and restrictions marked Exhibit "E", attached hereto and by reference incorporated herein (the "CC&Rs"). It shall be a condition of closing that the CC&Rs be recorded. The CC&Rs cover not only the Property and the Option Property but the additional property set forth in the Subdivision Plan.

SECTION 10 MISCELLANEOUS PROVISIONS

10.1 Survival.

All representations and warranties set forth in this Agreement and all provisions of this Agreement, the full performance of which is not required prior to closing, shall survive closing and shall be fully enforceable thereafter.

10.2 Binding Effect.

The provisions of this Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

10.3 Notices.

Notices under this Agreement shall be in writing and shall be effective when actually delivered or two (2) days after being deposited in the United States Mails, certified, return receipt requested, directed to the other party at the address set

forth below, or to such other address as the party may indicate by written notice to the other party:

If to Seller: Clackamas County, Oregon
c/o Board of County Commissioners
807 Main Street
Oregon City, OR 97045

With a copy by
regular mail to: Scott H. Parker, Esq.
Clackamas County Counsel
906 Main Street
Oregon City, OR 97045

If to Purchaser: Oregon City Urban Renewal Agency
City Hall
320 Warner Milne Road
Oregon City, OR 97405

With a copy by
regular mail to: Edward J. Sullivan, Esq.
Preston, Thorgrimson, Shidler
Gates & Ellis
3200 U. S. Bancorp Tower
111 S.W. 5th Avenue
Portland, OR 97204-3635

10.4 Waiver.

Failure of either party at any time to require performance of any provision of this Agreement shall not limit such party's right to enforce such provision, nor shall any waiver of any breach of any provision of this Agreement constitute a waiver of any succeeding breach of such provision or a waiver of such provision itself.

10.5 Amendment.

This Agreement may not be modified or amended except by the written agreement of the parties. No modification or amendment or attempted waiver of any provision of this Agreement shall be binding unless in writing and signed by the party to be bound. This Agreement may not be modified or amended orally.

10.6 Attorney Fees.

In the event legal action is instituted in connection with this Agreement, the prevailing party in such action shall be entitled to recover its reasonable attorney fees and costs at trial and upon appeal. The term "action" shall mean any proceeding before any court of general or limited jurisdiction including the bankruptcy courts of the United States. The term "action" shall also mean any arbitration proceeding. The term "costs" shall

include, but not be limited to, the cost of witnesses (expert or otherwise), depositions (discovery or otherwise) and the reasonable out-of-pocket expenses of the prevailing party. To the extent issues concerning title to real property are involved, the prevailing party shall be entitled to recover its reasonable title expenses (report and policy). To the extent the physical condition of the Property is at issue, the prevailing party shall be entitled to recover the reasonable costs of its consultants, engineers and other similar professionals.

10.7 Severability.

If any term or provision of this Agreement or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement and the application of such term or provision to persons or circumstances, other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term or provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. Notwithstanding the foregoing, this severability provision shall only be operative so long as the essential purposes of the Agreement are being met notwithstanding the invalidity or unenforceability of any portion hereof.

10.8 Integration.

This Agreement contains the entire agreement and understanding of the parties with respect to the purchase and sale of the Property and supersedes all prior and contemporaneous agreements between them with respect to such purchase and sale.

10.9 Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon.

10.10 Statutory Provision Regarding Land Use.

THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS, WHICH, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND EXISTENCE OF FIRE PROTECTION FOR STRUCTURES.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set forth herein.

Purchaser: OREGON CITY URBAN RENEWAL AGENCY

By: _____
Title: _____

Seller: CLACKAMAS COUNTY, OREGON

By: _____
Title: _____

Date of Acceptance: _____, 1990.

STATE OF OREGON)
) ss.
County of Clackamas)

The foregoing instrument was acknowledged before me this ____ day of _____, 1990, by _____ of Oregon City Urban Renewal Agency, on behalf of the Agency.

Notary Public for Oregon
My Commission expires: _____

STATE OF OREGON)
) ss.
County of Clackamas)

The foregoing instrument was acknowledged before me this ____ day of _____, 1990, by _____ of Clackamas County, Oregon, on behalf of the County.

Notary Public for Oregon
My Commission expires: _____

EXHIBIT A

[To Be Provided By Oregon City]

EXHIBIT B

After Recording Return to:

Randall B. Bateman
PRESTON THORGRIMSON SHIDLER
GATES & ELLIS
3200 U.S. Bancorp Tower
111 S.W. Fifth Avenue
Portland, Oregon 97204-3635

OPTION TO PURCHASE REAL PROPERTY

THIS OPTION TO PURCHASE REAL PROPERTY ("Option") is made and entered into this _____ day of _____, 1990, by and between CLACKAMAS COUNTY, a political subdivision of the State of Oregon ("Grantor") and OREGON CITY URBAN RENEWAL AGENCY, a municipal corporation of the State of Oregon ("Grantee").

RECITALS

A. Grantor is the owner of certain real property located in Clackamas County, Oregon, and more particularly described as the "area to be optioned" on the map which is marked in Exhibit "1" attached hereto and by reference incorporated herein (the "Property"). The Property consists of approximately seventeen (17) acres.

B. Grantee is interested in purchasing all or a portion of the Property upon terms and conditions hereinafter stated, but wishes to further investigate the Property and the feasibility of a purchase before finally committing itself to such a purchase.

NOW, THEREFORE, based upon the foregoing Recitals, and the mutual covenants hereinafter set forth, the parties agree as follows:

AGREEMENT

1. **Grant of Option.** Grantor, for and in consideration of Grantee's purchase of approximately thirteen (13) acres of adjoining real property from Grantor, hereby grants to Grantee the sole and exclusive option to purchase the Property in the manner and for the price hereinafter stated.

2. **Duration of Option.**

2.1. This option may be exercised at any time until 11:59 p.m. on the date which is three years following the date of closing of the sale of the approximately thirteen (13) adjoining acres from Grantor to Grantee referred to in paragraph 1 above. Such period is hereinafter referred to as the "Original Option Period."

2.2. If Grantee is prepared to exercise its option within the Original Option Period, but the consent or approval of a third party is reasonably required prior to such exercise, then Grantor agrees to not unreasonably withhold Grantor's consent to an extension of the Original Option Period which, in any event, shall not exceed sixty (60) days.

3. **Failure to Exercise Option.** If Grantee fails for any reason to exercise this option in the manner set forth below, Grantee shall have no further claim against or interest in the Property or against or in any of the money paid for the option or any extension thereof, and all such money shall remain the property of Grantor who shall have no further obligation to Grantee. Further, in the event of such failure to exercise, Grantee will cooperate in providing Grantor with any instruments which Grantor may reasonably deem necessary or advisable to be obtained from Grantee for the purpose of removing from the public record any cloud on Grantor's title to the Property which is attributable in any manner to the grant or exercise of this option.

4. **Exercise and Scope of Option.**

4.1. This option shall be exercised if at all by written notice given by Grantee to Grantor at any time during the original or any extended option period, which notice shall specify that Grantee has elected to exercise this option and specify the amount of property covered by the notice.

4.2. This option may be exercised with respect to any one or more individual lots within the Property. If Grantee exercises its option with respect to part but not all of the Property, the remaining Property shall continue to be subject to this option and Grantee may thereafter and at anytime during the term hereof purchase all or any further portion thereof. Grantee may continue to exercise Grantee's right to purchase portions of the Property until the expiration of the term of the option or until all of the Property has been so purchased.

4.3. Upon exercise of the option, Grantee shall be obligated to purchase that portion of the Property described in the notice from Grantor to Grantee, and Grantor shall be obligated to sell such portion of the Property to Grantee, for the price and in the manner hereinafter set forth.

5. **Rights and Duration of Option.**

5.1. During the original and any extended option period, Grantee shall be entitled to go upon the Property for the purpose of making or conducting any inspection, investigation, test or survey reasonably related to Grantee's decision to purchase the Property or to Grantee's prospective use thereof, provided only that all such activities shall be without expense to Grantor. Grantee shall protect, defend and hold harmless Grantor from any

loss, liability or damage to persons or property arising out of or related to Grantee's activities on the Property. If Grantee fails to exercise this option and complete the purchase of the Property, Grantee shall fully compensate Grantor for any physical damage to the Property or lien, encumbrance or charge thereon attributable to Grantee's activities with respect thereto.

5.2. During the original and any extended option period, Grantor shall cooperate in all reasonable respects with Grantee's efforts to inspect, investigate, test and survey the Property.

6. **Purchase Price and Payment.** If Grantee exercises this option, the purchase price of the Property shall be One and 15/100 Dollars (\$1.15) per square foot. The purchase price of the Property (or the portion thereof so purchased) shall be determined in accordance with the survey on the Property which was delivered by Grantor to Grantee in connection with Grantee's purchase of the adjoining thirteen (13) acres. On the date which is one (1) year following the date of closing of the sale from Grantor to Grantee of the adjoining thirteen (13) acres as referred to in paragraph 1 above (the "Anniversary Date"), the purchase price with respect to any of the Property for which a notice of exercise of option has not yet been given by Grantee to Grantor, shall be adjusted in accordance with the Consumer Price Index as described on Exhibit "2" attached hereto and by reference incorporated herein. The purchase price for the Property is hereinafter referred to as the Option Price. The Option Price shall be paid in accordance with the terms of an Agreement for the Sale of Real Property, a copy of which is marked Exhibit "3", attached hereto and by reference incorporated herein.

7. Closing.

7.1. The purchase of the Property or any portion thereof subject to a valid notice of exercise, shall be closed in escrow at Ticor Title Insurance Company, 820 Main Street, P.O. Box 69, Oregon City, Oregon 97045 and the costs of escrow shall be shared equally by the parties.

7.2. Closing shall occur as soon as possible following exercise of the option by Grantee, and in any event, no later than the 35th business day following the date of exercise of the option.

7.3. At closing, Grantor shall deliver to Grantee a duly executed and acknowledged statutory warranty deed conveying the Property to Grantee free and clear of all liens and encumbrances except for the Permitted Exceptions as such term is defined in Section 3 of the Agreement of Purchase and Sale between Grantor and Grantee and covering the adjacent thirteen (13) acres.

7.4. At closing, Grantee shall pay to Grantor any amounts required as described in the Agreement for the Sale of Real Property attached as Exhibit "3".

7.5. At or prior to closing, Grantor shall pay the unpaid principal and accrued interest of any liens and encumbrances on the Property necessary to be paid in order to permit issuance of the title insurance policy referred to below, and Grantee understands that any such payments may be made out of the funds paid to Grantor at closing.

7.6. Utilities, rents, if any, and premiums for any existing policies of insurance assumed by Grantee, if any, shall be prorated between the parties as of the date of closing.

7.7. The transaction shall be closed when Ticor Title Insurance Company or any other mutually agreeable title company is in a position to insure title to the Property as provided in paragraph 7.8 below.

7.8. Grantee shall be entitled to receive an extended ALTA purchaser's policy of title insurance insuring title in Grantee subject only to the Permitted Exceptions referred to in Section 7.3 above. The cost for the title insurance shall be paid one-half (1/2) by Grantor and one-half (1/2) by Grantee.

8. **Assignment; Successors.** All of the terms, provisions and conditions hereof shall be binding upon and inure to the benefit of the heirs, successors and assigns of the respective parties, provided, however, that Purchaser may not assign its rights hereunder without the prior written consent of the Seller.

9. **Notices.** Any notice given with respect hereto, whether or not required to be given, shall be deemed given when actually delivered or two days following when deposited in the United States registered or certified mails, return receipt requested, in an envelope addressed to the parties as follows:

If to Grantor: Clackamas County, Oregon
 c/o Board of County Commissioners
 807 Main Street
 Oregon City, OR 97045

With a copy by
regular mail to: Scott H. Parker, Esq.
 Clackamas County Counsel
 906 Main Street
 Oregon City, OR 97045

If to Grantee: Oregon City Urban Renewal Agency
 City Hall
 320 Warner Milne Road
 Oregon City, OR 97405

With a copy by
Regular Mail to:

Edward J. Sullivan, Esq.
Preston, Thorgrimson, Shidler
Gates & Ellis
3200 U. S. Bancorp Tower
111 S.W. 5th Avenue
Portland, OR 97204-3635

10. **Default.** If either party shall fail or refuse to carry out any provision hereof, the other party shall be entitled to such remedy or remedies for breach of contract as may be available under applicable law, including without limitation the remedy of specific performance, if such other party has fully performed all of its obligations hereunder. Time is of the essence hereof.

11. **Attorney Fees.** In the event legal action is instituted in connection with this Agreement, the prevailing party in such action shall be entitled to recover its reasonable attorney fees and costs at trial and upon appeal. The term "action" shall mean any proceeding before any court of general or limited jurisdiction including the bankruptcy courts of the United States. The term "action" shall also mean any arbitration proceeding. The term "costs" shall include, but not be limited to, the cost of witnesses (expert or otherwise), depositions (discovery or otherwise) and the reasonable out-of-pocket expenses of the prevailing party. To the extent issues concerning title to real property are involved, the prevailing party shall be entitled to recover its reasonable title expenses (report and policy). To the extent the physical condition of the Property is at issue, the prevailing party shall be entitled to recover the reasonable costs of its consultants, engineers and other similar professionals.

12. **Grantor's Warranty.** Grantor warrants that it has the right to grant this Option and will be able to deliver the warranty deed specified in Section 7.3 above and the title insurance policy specified in Section 7.8 above, if Grantee exercises this option.

IN WITNESS WHEREOF, the parties have executed this instrument on or as of the day and year first above written.

CLACKAMAS COUNTY, OREGON

By _____
Title: _____

OREGON CITY URBAN RENEWAL AGENCY

By _____
Title: _____

STATE OF OREGON)
) ss.
County of Clackamas)

The foregoing instrument was acknowledged before me this ____
day of _____, 1990, by _____ of Oregon
City Urban Renewal Agency, on behalf of the Agency.

Notary Public for Oregon
My Commission expires: _____

STATE OF OREGON)
) ss.
County of Clackamas)

The foregoing instrument was acknowledged before me this ____
day of _____, 1990, by _____ of
Clackamas County, Oregon, on behalf of the County.

Notary Public for Oregon
My Commission expires: _____

#HOME\4CAOPTON.1WT

EXHIBIT 1

[Map]
to be provided by Oregon City

EXHIBIT 2

Consumer Price Index Adjustments

The purchase price shall be adjusted upon _____, 1991 (one year from the date of the closing of the sale of the adjoining thirteen (13) acres by Grantor to Grantee) (the "Anniversary Date") and upon each Anniversary Date thereafter based upon increases or decreases in the Consumer Price Index for all urban consumers, Portland, Oregon Area, city average, all items (1967 = 100) as published by the Bureau of Labor Statistics of the United States Department of Labor (the "CPI"). To determine the adjustment on the first Anniversary Date and each Anniversary Date thereafter, the initial purchase price (\$1.15 per square foot) shall be multiplied by a fraction, the numerator of which will be the CPI for the Anniversary Date and the denominator of which shall be the CPI on the closing date of the sale of the adjoining thirteen (13) acres from Grantor to Grantee. The adjusted purchase price, when so determined, shall continue to the next succeeding Anniversary Date, when the purchase price shall again be redetermined. In the event the numerator of said fraction is not available at the time of the adjustment of the purchase price as provided herein, Grantee shall utilize the purchase price established for the immediately preceding period and the parties shall promptly adjust and pay over to the appropriate party any deficiency or overage upon request at any such time said numerator is available. If the CPI ceases to use the 1967 average equaling 100 as the basis of calculation, or if a change is made in the term or number of items contained in the CPI, or if the CPI is altered, modified, converted or revised in any other way, then the CPI shall be adjusted by Grantor to the figure which would have been arrived at had the change in the manner of computing the CPI in effect at the date of this Option not been altered. If the CPI is substantially revised or discontinued or no longer published, then the index that is designated by the Portland Association of Building Owners and Managers to replace the CPI shall be utilized together with appropriate adjustments to carry out the intent and purpose of this paragraph.

EXHIBIT 3

Until a change is requested,
all tax statements shall be
sent to the following address:

Oregon City Urban Renewal Agency

AGREEMENT FOR THE SALE OF REAL PROPERTY

THIS AGREEMENT FOR THE SALE OF REAL PROPERTY ("Agreement") is made this ____ day of _____, 19__, between CLACKAMAS COUNTY, a political subdivision of the State of Oregon ("Seller"), and OREGON CITY URBAN RENEWAL AGENCY, a municipal corporation of the State of Oregon ("Purchaser").

Seller agrees to sell to Purchaser and Purchaser agrees to purchase from Seller, upon the terms and conditions set forth in this Agreement, the following described real property ("Property") and all improvements thereon:

1. **Purchase Price and Payment.** The purchase price for the Property, which Purchaser agrees to pay to Seller, is \$_____ and shall be payable as follows:

(a) The sum of \$_____ (25% of the purchase price) in cash upon closing, less any earnest money paid by Purchaser.

(b) The unpaid balance of \$_____ (i.e., 75% of the purchase price) shall bear interest at the rate of eight (8%) percent per annum from the date of closing. Interest only shall be payable monthly, with the first interest payment due on _____, 19__ (thirty (30) days following the date hereof) with subsequent interest payments to be paid on or before the same day of each month thereafter until the entire purchase price, including both principal and interest, is paid in full. The entire unpaid balance of the purchase price shall be due and payable _____, 19__ (four (4) years from the date hereof). In the event a month does not have a corresponding day, then the payment for said month shall be paid on the preceding day.

(c) Purchaser shall have the right to prepay the whole or any part of the balance then due without penalty.

2. **Closing Date and Prorates.** The date of closing shall be _____, 19__. Property taxes, rents, refundable deposits, fire

insurance premiums, utilities and the other usual items shall be prorated as of the date of closing. However, if the parties mutually agree not to prorate insurance prior to the time of closing, Seller shall cancel Seller's insurance and Purchaser shall secure Purchaser's own insurance, pursuant to the terms of paragraph 5 below, to be in effect as of the date of closing.

3. **Possession.** Purchaser shall be entitled to possession of the Property on the closing date and may retain such possession so long as Purchaser is not in default under the terms of this Agreement.

4. **Taxes.** Purchaser shall pay when due all taxes which are hereafter levied against the Property and all public, municipal and statutory liens which may be hereafter lawfully imposed upon the Property. Purchaser shall have the right to pay any such taxes or liens over the longest installment period permitted by applicable law. Upon request, Purchaser shall furnish Seller with evidence of payment of all property taxes as and when due and payable.

5. **Insurance.**

(a) Purchaser does not intend to construct any improvements upon the Property. If Purchaser does, in the future, elect to construct improvements, Purchaser shall insure and keep insured all buildings and improvements now or hereafter erected on the land against loss or damage by fire, with extended coverage, in amounts not less than the full replacement value thereof and in amounts sufficient to avoid application of any co-insurance clause, with loss payable in each case to the parties hereto, as their interests appear at the time of loss, with copies of the policies to be delivered to each of the named parties. All uninsured losses shall be borne by Purchaser on or after the closing date. Purchaser shall pay all insurance premiums as and when payable and furnish Seller with evidence thereof upon request. Such insurance shall be written by a company or companies reasonably satisfactory to Seller, and each policy shall contain a stipulation providing that coverage will not be canceled or reduced without a minimum of ten (10) days' written notice to Seller. In the event of loss, Purchaser shall give immediate notice to Seller. Seller may make proof of loss if Purchaser fails to do so within fifteen days of the casualty.

(b) All proceeds of any insurance on the Property shall be held jointly by Seller and Purchaser. If Purchaser elects to repair or replace the damaged or destroyed improvements in a manner reasonably satisfactory to Seller, Seller shall, upon satisfactory proof of expenditure, pay or reimburse Purchaser from the proceeds for the reasonable cost of repair or restoration. If Purchaser does not restore the Property, Seller shall retain a sufficient amount of the proceeds to pay all amounts due under this Agreement, and shall pay the balance to Purchaser.

6. Title Insurance, Deed.

(a) Seller shall furnish at the joint expense of Seller and Purchaser an extended ALTA purchaser's policy of title insurance in the amount of the purchase price within fifteen (15) days from the date of closing, insuring Purchaser against loss or damage sustained by reason of the unmarketability of Seller's title or liens or encumbrances thereon, excepting matters contained in the usual printed exceptions in such title insurance policies, and excepting the following:

(i) [Permitted Exceptions.]

(ii) This Agreement.

(b) On payment of the entire purchase price for the Property, as provided herein, and performance by the Purchaser of all the other terms, conditions and provisions hereof, Seller shall forthwith execute and deliver to Purchaser a Statutory Warranty Deed conveying the real Property free and clear of all liens and encumbrances, except those described in subparagraph (i) above and those placed upon the Property or suffered by Purchaser subsequent to the date of closing.

7. Time is the Essence. Time is the essence of this Agreement.

8. Partial Release. Purchaser may, from time to time, sell certain subdivision lots which comprise a portion of the Property ("Individual Lots"). Seller agrees, upon ten (10) days prior written notice from Purchaser, to deliver a fulfillment deed, in the form required by paragraph 6(b) hereof, releasing the Individual Lot from the lien of this Agreement and providing clear title to Purchaser. As a condition to the delivery of such fulfillment deed (referring to the deed set forth in paragraph 6(b) above), Purchaser agrees to pay to Seller a release fee computed by multiplying a fraction, the numerator of which is the total square feet in the Individual Lot and the denominator of which is the total square feet of all of the Property initially covered by this Agreement, times the then remaining unpaid principal balance of the purchase price.

9. Default. The following shall constitute a default hereunder:

(a) Failure by Purchaser to make any payment or maintain any insurance within ten (10) days after the giving of notice of said nonpayment by Seller to Purchaser.

(b) Failure by Purchaser to perform any covenant or condition of this Agreement, other than the failure to make payments or maintain insurance as provided for herein, within thirty (30) days after the giving of notice of said default by

Seller to Purchaser. In the event the default is of such a nature that it cannot be completely remedied within a thirty-day (30) period, Purchaser shall not be considered to be in default if Purchaser begins correcting the claimed default within the thirty-day (30) period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable. Notwithstanding anything to the contrary provided in this subparagraph, no notice of default and no opportunity to cure shall be required if during the same calendar year, Seller has already sent a notice to Purchaser concerning the same default.

(c) Purchaser becomes insolvent, a receiver is appointed to take possession of all or a substantial part of Purchaser's properties, Purchaser makes an assignment for the benefit of creditors or files a voluntary petition in bankruptcy, or Purchaser is the subject of an involuntary petition in bankruptcy which is not dismissed within thirty (30) days. If Purchaser consists of more than one person or entity, the occurrence of any of these events as to any one such person or entity shall constitute a default under this Agreement.

10. Seller's Remedies.

(a) In the event of a default, Seller may exercise any one or more of the following remedies:

(i) Foreclose this Agreement by strict foreclosure in equity.

(ii) Declare the full unpaid balance of the purchase price immediately due and payable.

(iii) Specifically enforce the terms of this Agreement by suit in equity.

(iv) To declare this Agreement cancelled for default, and to declare the Purchaser's rights forfeited, and to retain sums previously paid by the Purchaser.

(b) The remedies provided above shall be nonexclusive and in addition to any other remedies provided by law.

11. Notices. Any notice required or permitted under this Agreement shall be in writing and shall be deemed given when actually delivered in person or forty-eight (48) hours after having been deposited in United States mail as certified or registered mail addressed as follows:

If to Seller: Clackamas County, Oregon
 c/o Board of County Commissioners
 807 Main Street
 Oregon City, OR 97045

With a copy by
regular mail to:

Scott H. Parker, Esq.
Clackamas County Counsel
906 Main Street
Oregon City, OR 97045

If to Purchaser:

Oregon City Urban Renewal Agency
City Hall
320 Warner Milne Road
Oregon City, OR 97405

With a copy by
Regular Mail to:

Edward J. Sullivan, Esq.
Preston, Thorgrimson, Shidler
Gates & Ellis
3200 U. S. Bancorp Tower
111 S.W. 5th Avenue
Portland, OR 97204-3635

or to such other addresses as may be specified from time to time by either of the parties in the manner above provided for the giving of notice.

12. **Attorney Fees and Costs.** In the event legal action is instituted in connection with this Agreement, the prevailing party in such action shall be entitled to recover its reasonable attorney fees and costs at trial and upon appeal. The term "action" shall mean any proceeding before any court of general or limited jurisdiction including the bankruptcy courts of the United States. The term "action" shall also mean any arbitration proceeding. The term "costs" shall include, but not be limited to, the cost of witnesses (expert or otherwise), depositions (discovery or otherwise) and the reasonable out-of-pocket expenses of the prevailing party. To the extent issues concerning title to real property are involved, the prevailing party shall be entitled to recover its reasonable title expenses (report and policy). To the extent the physical condition of the Property is at issue, the prevailing party shall be entitled to recover the reasonable costs of its consultants, engineers and other similar professionals.

13. **Non-waiver.** Failure by either party at any time to require performance by the other party of any of the provisions hereof shall in no way affect the party's rights hereunder to enforce the same, nor shall any waiver by the party of any breach hereof be held to be a waiver of any succeeding breach or a waiver of this non-waiver clause.

14. **Binding Effect.** The covenants, conditions and terms of this Agreement shall extend to and be binding upon and inure to the benefit of the heirs, personal representatives, successors and, so far as this Agreement is assignable by the terms hereof, to the assigns of such parties.

15. **Prior Agreements.** This instrument is the entire, final and complete agreement of the parties pertaining to the sale and purchase of the Property, and supersedes and replaces all written and oral agreements heretofore made or existing by and between the parties or their representatives insofar as the Property is concerned. None of the parties shall be bound by any promises, representations or agreements except as are herein expressly set forth. Purchaser expressly represents that there are no other agreements of the parties and that there are no representations which Purchaser is relying upon which, if untrue, would have affected Purchaser's decision to purchase.

16. **Use.** THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES.

17. **Statement of Consideration.** The true consideration for this transfer is \$__.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the day and year first above written.

Purchaser: OREGON CITY URBAN RENEWAL AGENCY

By: _____
Title: _____

Seller: CLACKAMAS COUNTY, OREGON

By: _____
Title: _____

STATE OF OREGON)
) ss.
County of Clackamas)

The foregoing instrument was acknowledged before me this ____ day of _____, 1990, by _____ of Oregon City Urban Renewal Agency, on behalf of the Agency.

Notary Public for Oregon
My Commission expires: _____

STATE OF OREGON)
) ss.
County of Clackamas)

The foregoing instrument was acknowledged before me this _____
day of _____, 1990, by _____, of
Clackamas County, Oregon, on behalf of the County.

Notary Public for Oregon
My Commission expires: _____

EXHIBIT C

[Road Design Standards and a Cross Section]
to be provided by Oregon City

EXHIBIT D

[Design Standards for Beaver Creek Realignment]
to be provided by Oregon City

EXHIBIT E

[CC&Rs to be provided by Oregon City]

CITY OF OREGON CITY

Incorporated 1844

Dated

August 29, 1990

Page 1 of 1

REPORT

Subject: Red Soils Access Road Preliminary
Engineering Status Report

Report No. 90-29

As you recalls, the Agency authorized Lee Engineering to perform the preliminary engineering on the Red Soils Access Road Project. That preliminary engineering work is basically complete and ready for Agency review. Several plan maps will be available for review at the 29th meeting:

- o Access Road Parcel Map - This map illustrates the nine parcels that will need to be dedicated as right-of-way for the project.
- o Preliminary Plan and profile of the Phase 1 access road project. This is the portion of the road going from Molalla Avenue across the Randall property.
- o Preliminary Plan of the Molalla Avenue improvements needed with the Phase 1 project; and preliminary design of the Beaver Creek Road realignment project and new signalized Danielson intersection project.
- o Cost estimates for the Phase 1 project.

If the preliminary engineering is acceptable the Agency can authorize final engineering.


JOHN G. BLOCK
Executive Director

JGB:im

cc: Charles Leeson, Interim City Manager

URBAN RENEWAL AGENCY

CITY OF OREGON CITY

Incorporated 1844

Dated

August 29, 1990

REPORT

Page 1 of 1

Subject: Randall Business Park Status Report

Report No. 90-30

The Randall Business Park is still being designed. The road location, right-of-ways and driveway approaches are being coordinated with the Randall Company.

Anticipating the question of construction time frame I asked Wilson Choy, Project Manager, to provide the Agency with an updated construction schedule. If the letter is not received by packet time, I will try to obtain it by the 29th meeting.

The Agency position has been to construct the access road concurrently with the Randall Business Park. At this point I see no need to change that position; however, the Agency will need to be ready to go to bid on the project when the Randall project is ready. That is why final engineering is being recommended at this time.


JOHN G. BLOCK
Executive Director

JGB:im

Charles Lessor, Interim City Manager

CITY OF OREGON CITY

Incorporated 1844

Dated

August 29, 1990

REPORT

Page 1 of 1

Subject: Department of Revenue Opinion

Report No. 90-31

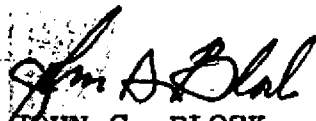
Attached are copies of correspondence on this issue. The two issues are summarized in Ray Erland's letter to Frank Peccia.

1. The frozen base for the Downtown area and the Red Soils area should not have been combined initially, but a separate frozen base should have been established for each area.
2. The tax increment statute (ORS 457.420 through 457.460) does not provide a specific date as to when the tax collector should give effect to an amendment to an urban renewal plan which changes the boundaries and results in an adjustment to the frozen base; he should, therefore, follow the principle established in the statutes and effect such adjustment at the earliest practicable date (in this case, for the 1990/91 tax year).

The Department of Revenue has suggested that any Plan Amendment, even the withdrawal of area meet the January 1 criteria, issue No. 2, even though not specifically addressed in the statute.

The issue of dividing the frozen base was not answered in the Department of Revenue opinion that's why the Assessor reasked the question. As of the writing of this report, the Department of Revenue was going to ask the Attorney General's Office for a written opinion on the dividing of the frozen base question.

This opinion and response to Ray Erland should be available for review at the August 29th meeting.


JOHN G. BLOCK
Executive Director

JGB:lm

attach.

cc: Charles Leeson, Interim City Manager

URBAN RENEWAL AGENCY



CLACKAMAS COUNTY

Department of Assessment and Taxation

RAY ERLAND
COUNTY ASSESSOR

August 17, 1990

Mr. Frank Peccia
Property Tax Division
Local Government Section
Revenue Building, Room 256
Salem, OR 97310

RE: Oregon City Urban Renewal Agency
Requested Amendment to Plan to Withdraw Area

Dear Frank:

We are in receipt of your August 14, 1990 letter which instructs Clackamas County to calculate the 1990-91 tax rate using the frozen base in existence prior to the August 1990 plan amendment for the Oregon City Urban Renewal Agency.

Mr. Oliver Norville, legal counsel for Oregon City, in his July 20, 1990 letter asked two questions:

1. The frozen base for the Downtown area and the Red Soils area should not have been combined initially, but a separate frozen base should have been established for each area.
2. The tax increment statute (ORS 457.420 through 457.460) does not provide a specific date as to when the tax collector should give effect to an amendment to an urban renewal plan which changes the boundaries and results in an adjustment to the frozen base; he should, therefore, follow the principle established in the statutes and effect such adjustment at the earliest practicable date (in this case, for the 1990/91 tax year).

In your decision, did you address both issues? It appears the first issue, if a separate frozen base should have been established separately for the Downtown area and the Red Soils area, may not have been answered.

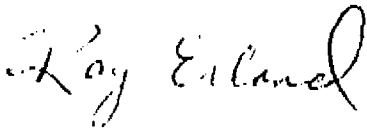
Mr. Frank Peccia
August 17, 1990
Page 2

If possible, please advise us the first of next week if your earlier decision covered both issues mentioned in Mr. Norville's letter of July 20, 1990.

It would assist us in preparing our 1990-91 roll to have a final decision by September 7, 1990.

Thank you for your assistance in this matter.

Sincerely,



Ray Erland
County Assessor

RE:rc

cc: John Block
Scott Parker
Oliver Norville



Oregon Department of Revenue

REVENUE BUILDING
955 CENTER STREET, N.E.
SALEM, OREGON 97310

August 14, 1990

Ray Erland
Clackamas County Assessor
168 Warner-Milne Road
Oregon City, OR 97045



Request for Advice Concerning the Application of Urban Renewal Adjustments

You have asked if you can make the withdrawal of area from the Oregon City Urban Renewal Plan effective for the 1990-91 tax rate computation.

The Department of Revenue is of the opinion that neither the statutes nor administrative rules currently authorize the county assessor to apply an August 1990 urban renewal plan amendment to the tax rate calculation for the 1990-91 tax roll. You should calculate the 1990-91 tax rate using the frozen base in existence prior to the August 1990 plan amendment.

I hope this answers your question. If you require additional information, feel free to call me at the number listed below.

Frank Peccia

Frank Peccia
Property Tax Analyst
Property Tax Division

Telephone: (503) 378-3603

mb/sb/2445s

RANKIN VAVROSKY DOHERTY
MACCOLL & MERSEREAU

LAWYERS

FOUNDED IN 1885 AS
SMITH & TEAL

1600 BENJ. FRANKLIN PLAZA
ONE S.W. COLUMBIA STREET
PORTLAND, OREGON 97258

OLIVER I. NORVILLE
OF COUNSEL

FACSIMILE: 503-226-0383
TELEPHONE: 503-226-6400

HOWARD A. RANKIN
DENNIS R. VAVROSKY
PATRIC J. DOHERTY
E. KIMBARK MACCOLL, JR.
PETER R. MERSEREAU
JAMES P. SHANNON, LL.M.
KARLI L. OLSON
THOMAS W. McPHERSON
LARRY T. COADY
CURTIS E. HEIKKINEN
KATHERINE M. ZELKO, LL.M.

† ALSO LICENSED IN CALIFORNIA
* ALSO LICENSED IN MICHIGAN & COLORADO

August 15, 1990

Mr. John G. Block
Executive Director
Oregon City Urban Renewal Agency
320 Warner Milne Road
Oregon City, Oregon 97045

RE: Ruling of Department of Revenue on Withdrawal of
Downtown Area

Dear John:

As I advised you yesterday in our telephone conversation, I talked with Marilyn Harbur of the Attorney General's Office on Monday with respect to the position of the Department of Revenue on the effect of the withdrawal of the downtown area on tax increment financing. She indicated that Elizabeth Stockdale and herself had met with the Department of Revenue staff including Richard Munn and advised the staff that in the opinion of the Attorney General's Office the assessor could give legal effect to the withdrawal in the current tax year. The attorney general's opinion was consistent with my opinion of July 20, 1990 directed to Mr. Ray Erland, the Clackamas County Tax Assessor. She further advised, however, that since the statute did not clearly require that the assessor make this adjustment that the Department of Revenue was going to follow the January 1st date which relates to the division of taxes after the initial approval of an urban renewal plan. That date should have no application to this amendment.

Since the legal issue has been resolved favorably, but the Department of Revenue has apparently made an administrative ruling adverse to Oregon City's position, the matter now becomes a political issue. As I indicated to you, I believe that if you are to reverse the position of the Department of Revenue that you will have to take immediate steps to contact your legislative representatives and the governor's office as well as the League of Oregon Cities to provide appropriate political assistance. This attitude of the Department of

Mr. John G. Block
August 15, 1990
Page two

Revenue in ruling adversely in a situation where it could legally rule favorably may reflect an attitude in the Department of Revenue towards urban renewal and tax increment financing. If you decide to take steps to obtain a reversal of this administrative decision, please let me know if I can be of assistance.

Very truly yours,


Oliver I. Norville

/hdp

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† ALSO LICENSED IN CALIFORNIA
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July 20, 1990

Mr. Ray Erland
Clackamas County Tax Assessor
168 Warner Milne Road
Oregon City, Oregon 97045

Re: Oregon City Downtown Renewal Plan;
Amendment to Plan to Withdraw Area and
Its Effect on Tax Increment Financing

Dear Mr. Erland:

In our meeting of July 17, 1990, we discussed the issue of the effect of the withdrawal of an area from the Oregon City Downtown Renewal Plan (the "Plan") on the tax increment financing which is provided for in the Plan. More specifically, the issue involved is: When should the tax collector give effect to the withdrawal of an area from an urban renewal plan for purposes of dividing the taxes as provided in 457.440? You requested that I write you this letter outlining the facts and giving my opinion concerning the legal solutions to the problem presented.

The Oregon City Urban Renewal Agency is carrying out the Plan which was adopted in 1983 pursuant to ORS Chapter 457. The Plan includes two non-contiguous areas described as the "lower level" or Downtown area and the "hilltop" or Red Soils area. The Plan provides for financing the projects listed in the Plan with tax increment financing. In establishing the certification of true cash value (the "frozen base") under the Plan, the two areas were combined under a single frozen base certificate. The Plan was later amended to add additional land to the Red Soils area. The combined frozen base has generated little tax increment funds, primarily because the property values in the Downtown area have declined and the increases in the values in the Red Soils area have not offset that decline. The Agency is now amending the Plan to exclude the Downtown area.

The Agency has advised you of its intent to amend the Plan in August to exclude the Downtown area. It has requested that the frozen base be adjusted at that time to

Mr. Ray Erland
July 20, 1990
Page Two

reflect this change and that the division of taxes be made for the current tax year based on the amended frozen base. You indicated in our meeting that if this amendment is made prior to September, 1990, the adjustment could be easily accomplished in this tax year. You also stated, however, that you had telephone conversations with Mr. Frank Peccia of the Oregon Department of Revenue who indicated that the appropriate time for making the adjustment might be in the 1991/92 tax year. His position was apparently based upon an earlier opinion of the Oregon Attorney General relating to various issues involving tax increment financing and urban renewal plan amendments. The opinion did not deal specifically with the issue presented here.

Following our July 17th meeting, I met with Marilyn Harbur of the Attorney General's office who had prepared the opinion upon which Mr. Peccia relied. I outlined to Ms. Harbur the facts and expressed my legal opinion concerning the issue presented. She indicated that she would give consideration to the matter and discuss it with Mr. Peccia early next week. I advised her that I would forward to her a copy of this letter.

The legal positions which I presented to both you and Ms. Harbur were twofold: (1) the frozen base for the Downtown area and the Red Soils area should not have been combined initially, but a separate frozen base should have been established for each area; (2) the tax increment statute (ORS 457.420 through 457.460) does not provide a specific date as to when the tax collector should give effect to an amendment to an urban renewal plan which changes the boundaries and results in an adjustment to the frozen base; he should, therefore, follow the principle established in the statutes and effect such adjustment at the earliest practicable date (in this case, for the 1990/91 tax year).

The first position is based on the underlying principle upon which tax increment financing is based: that each urban renewal area must stand on its own and generate the investment to finance the projects and activities authorized by the statute and provided for in the urban renewal plan. The language of the tax increment statute reflects this principle by its consistent reference to "an urban renewal area" throughout the statute. The only reference to "urban renewal areas" is contained in ORS 457.420(2) which is the

Mr. Ray Erland

July 20, 1990

Page Three

limitation on the cumulative tax increment values or areas permitted in each municipality. The intended distinction between "an area" and "areas" is, therefore, clear. Although the statute permits more than one urban renewal area to be included in a plan (ORS 457.010(11)), for purposes of establishing the frozen base for tax increment financing, each area should be treated separately.

The second position, that an amendment to an urban renewal plan which changes boundaries and results in an adjustment to the frozen base should be given effect as soon as practicable, results from a careful reading of the statute. The statute provides no direct guidance in dealing with the issue presented here. The only dates in the statute relate to the initial establishment of a tax increment area. The first is contained in ORS 457.430(1) which establishes the freeze date as the ". . . tax roll last equalized prior to the effective date of the ordinance approving the plan. . . ." The second is contained in ORS 457.450(1)(a) which deals with the initial division of taxes and allocation for increment under the statute. That provision requires notification of the assessor by a ". . . notice of plan adoption by the agency prior to January 1 of the assessment year to which the plan first applies." I believe a proper interpretation of these provisions and the legislative history of them reveals that these dates were intended to apply only to the initial adoption of an urban renewal plan. The statute is silent as to what occurs on an amendment of the plan requiring a modification in the frozen base certificate. A rule of reason and practicality should, therefore, be followed.

I am aware of only three situations in Oregon where there has previously been an adjustment based upon the removal of a portion of the area under a plan. The first instance was in a plan for the City of Toledo where the Georgia Pacific plant was removed from the area; the second was the Clackamas Town Center plan in Clackamas County where the shopping center was amended out of the plan; and the third was in the Downtown Waterfront plan in Portland where a substantial increment of values was removed. In all of these circumstances the purpose was to return a portion of the tax increment area to its full value on the tax rolls. In at least one of these amendments (the Downtown Waterfront plan in Portland), the plan was amended in April, the frozen base was adjusted in October and the resulting change re-

Mr. Ray Erland
July 20, 1990
Page Four

flected on the November tax bill, all in the same year. In the latter instance the assessor was notified in sufficient time to make the change without an undue burden upon the assessment and taxation procedures. While the above cases all involved the return of increment to the tax rolls and the Oregon City case will result in a positive increment to the remaining area by the elimination of the Downtown area, the same principles should apply in all instances where there is a boundary change resulting in an adjustment to the frozen base. In all of these situations the adjustment should be made if it is practical and does not place an undue burden on the tax process.

You indicated in our meeting that if you were notified in September of the Oregon City change, the adjustments could be made to the frozen base certificate for the Oregon City plan without imposing an undue burden on the assessment and taxation procedures. I believe that this is an application of the principle contained in ORS 457.430 which requires the preparation of the initial frozen base certificate for the area "as soon as practicable after the approval of a plan. . ." While this provision does not literally apply to the present situation, in the absence of specific language covering the exclusion of a portion of the urban renewal area affecting the frozen base, the principle of practicality should apply. I discussed with Ms. Harbur the need for legislation to clarify the situation. But absent such legislation, I believe a reasonable application of the present statute would permit and require the adjustment in the frozen base upon notification of the assessor by September and an application of the frozen base certificate to the 1991 tax year as reflected in the November tax billings. This adjustment, of course, would result in an increment in value under the plan and a payment to the agency of a sum estimated at approximately \$172,000 for the 1990/91 tax year.

I hope that this letter will provide you with adequate information concerning the facts and issues as well as my legal opinion concerning this matter. I will be out of the state from July 23rd to August 10th. Perhaps this matter may be satisfactorily resolved during this period. If you have any questions in my absence, Mr. Howard Rankin of this

RANKIN VAVROSKY DOHERTY MACCOLL & MERSEREAU

Mr. Ray Erland

July 20, 1990

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office is familiar with the issues presented and will answer any questions that you or others may have. I appreciate the time and cooperation you have given in resolving this matter. As you know, it is of utmost importance to Oregon City.

Very truly yours,



Oliver I. Norville

OIN:dlt

cc: Mr. John G. Block ✓

Mr. Scott Parker

Ms. Marilyn Harbur

OREGON CITY URBAN RENEWAL AGENCY

There will be a meeting of the Oregon City Urban Renewal Agency on Wednesday, August 8, 1990 at 8:00 p.m. in the Commission Chambers, City Hall, 320 Warner-Milne Road, Oregon City, Oregon.

A G E N D A

1. Approval of June 27, 1990 minutes.

PUBLIC HEARINGS

2. 2nd Amendment to the Oregon City Urban Renewal Plan.

REPORTS

3. Red Soils Property Acquisition Status Report.
4. Red Soils Access Road Status Report.
5. Red Soils Subdivision Plan.

INFORMATION

6. Department of Revenue and County Assessor Correspondence

A meeting of the Urban Renewal Advisory Committee is scheduled for August 8, 1990 at 6:30 p.m., in City Hall Conference Room "C".

OREGON CITY URBAN RENEWAL AGENCY
JULY 5, 1990

A meeting of the Oregon City Urban Renewal Agency was held on the above date at 7:30 p.m., in the City Commission Chambers, 320 Warner-Milne Road, Oregon City, Oregon.

Those Present: David Spear, Chairman
 Carol Powell, Board Member
 Dan Fowler, Board Member
 Suzanne VanOrman, Board Member

John Block, Executive Director
Scott Harper, Finance Officer
Irmgard Marggi, Secretary

Also present were two members of the press. Block stated a revised agenda, just handed out, is to be considered. The meeting was called to order by Chairman Spear who requested approval of the June 27th minutes.

It was moved by Fowler, seconded by Powell, to approve the minutes of the June 27th meeting. UNANIMOUS APPROVAL

Fiscal year 1990-91 budget, Report No. 90-21, was next to be considered. Block reviewed discussion from the June 27th meeting, and reported on correspondence received from Dan Anderson of Security Pacific Bank. The bank specializes in Urban Renewal Funding. VanOrman commented about nervousness because of no assets. Block explained the Agency is not borrowing money at this time, but the budget gives that authority and is a good planning instrument.

It was moved by Powell, seconded by Fowler, to adopt the 1990-91 budget.

Roll Call: VanOrman, Aye; Fowler, Aye; Powell, Aye; Spear, Aye.

Professional Services Agreement with Lee Engineering, Inc. - Report No. 90-22, Block reviewed discussion from the June 27th meeting, commenting there is approximately \$47,000 in cash carry over and the willingness of Lee Engineering to carry the receivable for a period of 18 months. It is requested the Agency approve only the preliminary engineering at this time and wait on final design until the project is closer to construction. VanOrman commented willingness to approve if Lee Engineering is willing to work with the City. The full amount of the contract is approximately \$70,000. Fowler suggested the Agency commit to the preliminary engineering at this time, then authorize final engineering as part of the construction phase of the project.

It was moved by Fowler to approve the Personal Services Agreement with Lee Engineering, Inc., and authorize only the preliminary engineering services at this time. Seconded by VanOrman.

Roll Call:

Powell, Aye; Fowler, Aye; VanOrman, Aye; Spear, Aye.

Water Fund Loan - Clairmont Club Debt Service, Report No. 90-23. Security Pacific Bank, in providing a financial analysis for the Agency, suggested rolling over the Water Fund loan, making this a new borrowing on the original loan and including interest. This action would essentially pay off the first loan with interest and create a new loan from the Water Fund. Fowler asked if this action is subject to City Commission review; response was in the affirmative.

It was moved by Fowler, that the Urban Renewal Agency approve the pay off of the Water Fund loan, with interest, and authorize a new loan from the Water Fund subject to City Commission approval. Seconded by Powell.

Roll Call:

VanOrman, Aye; Fowler, Aye; Powell, Aye; Spear, Aye.

Support for County Office Consolidation - Report No. 90-25 (Report No. 90-24 was inadvertently omitted and not used) Block commented there are two items that support the County Office Consolidation:

1. Go ahead to include County Office Consolidation; land assembly and parking improvements in the new downtown Urban Renewal District; and
2. Amend the Hilltop Plan to include additional acquisition of Red Soils if not needed for County use.

Powell asked several questions concerning fair market value to which Block replied that when the downtown is removed the County has the feeling that the consolidation element may be lost in the process. This is a form of assurance that the consolidation project will be included in the new plan. This action will be relayed in a letter to the County. Powell commented that 75% of the County Consolidation would have been financed by the Urban Renewal Agency. Block stated this is what is being avoided by the new statement of support. Fowler commented the old plan didn't work, can't work, and won't work for many reasons, but the support has not changed. VanOrman suggested Powell be briefed concerning the results of this afternoon's meeting with the County. Powell stepped out of the meeting for approximately 2 minutes

It was moved by Fowler, seconded by VanOrman, to adopt Report No. 90-25 showing support from the Urban Renewal Agency for County Office Consolidation.

Roll Call: VanOrman, Aye; Fowler, Aye; Spear, Aye.

Powell returned to the meeting at the close of roll call. Discussion then turned to the letter written by Chairman Spear to the Board of County Commissioners concerning negotiations on Red Soils going forward. It is hoped to have more definitive statements within the next week or two. VanOrman asked when the next Urban Renewal Agency meeting is to be scheduled as she plans to be away during some of July. Comment was made the meeting should be on the second Wednesday according to the Interim City Manager's memo. A work session is scheduled for July 25.

There being no further business the meeting was adjourned at 8:00 p.m.

Respectfully submitted

Amgard Maggi

CITY OF OREGON CITY

URBAN RENEWAL MEETING

An Urban Renewal Agency meeting is scheduled for Wednesday, August 8, 1990, at 8:00 p.m. at City Hall, 320 Warner Milne Road, for the purpose of discussing a draft for the Second Amendment to the Oregon City Renewal Plan.

All interested citizens are invited to attend and provide input.

JEAN K. ELLIOTT, City Recorder

PUBLISH: Tuesday, August 7, 1990 (display)

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*          ** TRANSMIT CONFIRMATION REPORT **
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*   Journal No.   : 002
*   Receiver      : 503 656 2087
*   Transmitter   : OREGON CITY CITY HALL
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City of Oregon City
Urban Renewal Plan Amendment #2

FIRST DRAFT - JULY, 1990

100. INTRODUCTION

This Urban Renewal Plan, dated _____, 1990, is Amendment Number Two to the Urban Renewal Plan created by the City of Oregon City on December 14, 1983.

This Amendment includes a major revision of the Urban Renewal boundaries described in the 1983 Plan, incorporates the goals, objectives, boundary and project activities of a First Amendment to the Plan adopted in 1989, adds a new property to the list of properties to be acquired, and makes further boundary amendments. This Amended Plan also changes the name of the Plan to "Hilltop Urban Renewal Plan". These changes constitute a major amendment to the Urban Renewal Plan. The Amended Plan is intended to be a self-containing document stating and restating all the operable elements of the urban renewal plan which remain, and replacing the original plan as previously amended.

This Plan has been prepared pursuant to Oregon Revised Statute (ORS) Chapter 457, and all applicable laws and ordinances of the State of Oregon and City of Oregon City respectively. All such applicable laws and ordinances are made a part of this Plan, whether expressly referred to in the text or not.

101. HISTORY OF PLAN ADOPTION AND AMENDMENT

The Urban Renewal Plan for the Oregon City Renewal Project was adopted by the City Commission of Oregon City on December 14, 1983. The Urban Renewal Area contained 339.2 acres, and consisted of two non-contiguous parts:

- * An area located parallel to the Willamette River on the "first level" of Oregon City. This area included the downtown core of Oregon City.
- * An area located on the upper, or "hilltop" level of Oregon City.

The boundary of the original Urban Renewal Area is shown in **Appendix "A"** of this Plan.

Blighting conditions within the Urban Renewal Area included:

- * Unsafe, obsolete and deteriorated building conditions.
- * Economic deterioration.
- * Inadequately sized building lots.
- * Inadequate streets, rights-of-way, and utilities.
- * Inadequate Open Spaces
- * Depreciated values and impaired investments.
- * Lack of proper utilization of the area.

Several major project activities contemplated in the 1983 Urban

Renewal Plan revolved around relocating and consolidating Clackamas County facilities into the "first level" area of the Renewal Plan. The consolidated County facilities were intended to serve as "anchor" developments, and stimulate the redevelopment of the first level area of the Renewal Plan. The assumptions and timetable for actions relating to consolidating and relocating County facilities were outlined in an Appendix to the 1983 Urban Renewal Plan.

First Amendment

On October 3, 1989, the City Commission of Oregon City adopted the First Amendment to the Oregon City Urban Renewal Plan. The intent of this amendment was to authorize additional project activities necessary to address substandard conditions in the "upper", or "Hilltop" area of the Urban Renewal Plan, and help stimulate the redevelopment of that area.

The First Amendment to the Urban Renewal Plan revised the Renewal Plan boundary by adding approximately 67 acres to the "Hilltop" area of the Urban Renewal Plan. Other Plan changes authorized in that Amendment included:

- * Additional Renewal Plan goals and objectives.
- * Additional project activities in the "Hilltop", or upper level area of the plan. These activities included transportation, storm drainage, and sewer and water improvements.
- * Authorization of additional property acquisition within the "Hilltop" area of the Urban Renewal Plan. Acquisitions were for the purpose of roadway right-of-way, and for private redevelopment.

Second Amendment

The current (Second) amendment follows from a recommendation to the City Commission by the Oregon City Urban Renewal Advisory Committee. In early 1990, City staff and the Advisory Committee conducted a status review of the Oregon City Urban Renewal Plan. The review showed that actions called for in the Plan had fallen well behind schedule, and further, that changes in basic assumptions and economic conditions since adoption of the 1983 Plan made certain key activities programmed in that Plan no longer appropriate or feasible.

For instance, changing conditions have resulted in delay in implementing the action plan for consolidating County facilities in the "first level" area of the 1983 Plan. As a result, Clackamas County has given notice that it is considering other locations and options for its facility siting plans. Attracting an anchor development to the "first level" area was an assumption crucial to the redevelopment of that area, and to the production of revenues

to carry out project activities. The inability to attract an anchor development to the "first level area" is among the reasons why tax increment revenues have fallen well short of the estimates made in the 1983 Plan.

Staff and the Committee also were advised that the split of the Urban Renewal Area into two non-contiguous parts posed legal complications that could hinder the financing of project activities. The Committee concluded that this combination of economic and legal circumstances seriously compromised Oregon City's ability to treat blighting conditions of both areas of the 1983 Plan.

On May 16, 1990 the Advisory Committee recommended that the Renewal Agency undertake a Second Amendment to the Oregon City Urban Renewal Plan, and revise the project boundaries to remove the "first level area" of the 1983 plan, in order to preserve the ability of the Renewal Agency to address the conditions in the remaining area of the Plan,

The intent of this amended Plan, then, is to amend the boundary of the Urban Renewal Project Area, and carry out activities required to treat sub-standard conditions in the amended Project Area.

102. NAME DESIGNATION

This amended Plan shall be known henceforth as the Hilltop Urban Renewal Plan.

200. DEFINITIONS

The following definitions will govern the construction of this Plan Amendment unless the context otherwise requires:

"Agency, Renewal Agency, or Urban Renewal Agency" means the City Commission of Oregon City which, in accordance with ORS 457, is the Urban Renewal Agency of the City of Oregon City, Clackamas County, Oregon.

"Blighted Areas" means areas which, by reason of deterioration, faulty planning, inadequate or improper facilities, deleterious land use or the existence of unsafe structures, or any combination of these factors, are detrimental to the safety, health or welfare of the community; and are characterized by the existence of conditions as described in ORS 457.010.

"City" means the City of Oregon City, Oregon.

"City Commission" means the elected governing commission of the City of Oregon City, Oregon.

"Comprehensive Plan" means the City's Comprehensive Land Use Plan and its implementing Ordinances, policies and development standards.

"County" means the County of Clackamas, State of Oregon.

"Displaced" person or business means any person or business who is required to relocate as a result of action by the Urban Renewal Agency to vacate a property for public use or purpose. The methods to be used for the temporary or permanent relocation of such persons living in, and businesses situated in the Urban Renewal Area shall be in accordance with State Law as specifically set forth in ORS 281.045 to 281.105.

"Exhibit" means an attachment, either narrative or map, to the Urban Renewal Plan Amendment, Part Two - Exhibits.

"First Level", or "First Level Area" means that sub-area of the 1983 Urban Renewal Plan located parallel to the Willamette River, as referenced in Section 300 of the 1983 Plan. This sub-area included the historic downtown core of Oregon City.

"Hilltop Area" means the area referenced as the upper level or "hilltop" area in Section 300 of the 1983 Urban Renewal Plan. The boundary of this area of the Urban Renewal Plan was amended by the First Amendment to the Plan in 1989.

"Objective" means any goal, general or specific, or objective described in Section 400 of this Plan.

"ORS" means Oregon Revised Statute (State Law) and specifically Chapter 457 thereof.

"Plan, Renewal Plan, Urban Renewal Plan" means the Urban Renewal Plan for Oregon City Renewal Area, Parts One and Two.

"Plan Amendment, Renewal Plan Amendment, Urban Renewal Plan Amendment" means the amendment to the Urban Renewal Plan for the Oregon City Renewal Area, Parts One and Two.

"Planning Commission" means the Planning Commission of the City of Oregon City, Oregon.

"Project, Activity or Project Activity" means any undertaking or activity within the Amendment Area or the Plan Area, such as a public improvement, street project or other activity which is authorized and for which implementing provisions are set forth in the Urban Renewal Plan Amendment.

"Report" refers to the report accompanying the urban renewal plan amendment, as provided in ORS 457.085 (3)

"Red Soils" refers to a tract of land in the Oregon City Urban Renewal Area. The Red Soils tract is part of the Hilltop area of Oregon City.

"State" means the State of Oregon.

"Tax Increment Financing" refers to a method of financing urban renewal project activities through a division of ad valorem taxes, as provided in ORS 457.420 through 457.450.

"Taxing Bodies" refers to governmental bodies levying taxes within the Urban Renewal Area.

"Text" means the Urban Renewal Plan Amendment for the Oregon City Hilltop Urban Renewal Plan, Part One - Text.

"Upper level or area" is to be construed as synonymous with "Hilltop" area, previously defined.

300. BOUNDARY AND LEGAL DESCRIPTION
NEED NEW BOUNDARY MAP AND LEGAL DESCRIP.

History of area included within the Urban Renewal Plan boundary:

The boundary of the Urban Renewal Area adopted in 1983 comprised 339.2 acres, in two parts - a "first" level, parallel to the Willamette River, and including the downtown core, and an "upper", or "Hilltop" level area, including the Red Soils tract. The boundary of the 1983 Urban Renewal Plan is shown as Appendix A of Part Two of this Urban Renewal Plan.

The First Amendment to the Plan in 1989 added 67 acres to the boundary of the "upper" level area of the Urban Renewal Plan. The boundary of the area included in the 1989 Plan amendment is shown as Appendix B of Part Two of this Urban Renewal Plan.

The land within the boundary of this Amended Plan now consists of the "Hilltop", or "upper" level area of the 1983 plan, as modified by the First Amendment to the Plan in 1989. A boundary map and legal description of the amended Urban Renewal Area are contained in Exhibits 1 and 1A of Part Two of this Plan Amendment.

400. RELATIONSHIP TO LOCAL OBJECTIVES

A. Purpose

The purpose of this Amended Plan is to eliminate blighting influences found in the Amended Renewal Area, and to implement goals and objectives of Oregon City's Comprehensive Plan, and the Hilltop Urban Renewal Area. Because this Amendment removes all of the "first level" areas included in the original 1983 Plan, all of the goals and objectives for the Amended Renewal Area are stated and restated herein and need not be referenced in any previous plan or amendment.

The Urban Renewal Plan furthers the following goals and objectives:

B. City of Oregon City Comprehensive Plan

ORS 457.085 requires that an Urban Renewal Plan or Amendment relate to definite local objectives. The City's Comprehensive Plan considers a wide range of goals and policies relating to land uses, traffic, transportation, public utilities, recreation and community facilities, and other public improvements. Specific goals, objectives and policies which relate to this Amended Plan are found in the City of Oregon City's Comprehensive Plan. This Amended Plan is consistent with the goals, objectives and policies found in the Comprehensive Plan.

C. Goals

The goals of this Amended Plan are:

1. To improve traffic capacity and safety, and stimulate private development in the Renewal Area consistent with the Comprehensive Plan.
2. To improve the Renewal Area as a commercial and industrial center, and stimulate private development of the Red Soils tract consistent with the Comprehensive Plan and the Oregon City Renewal Plan.

D. Objectives

1. To eliminate blighting conditions in the Renewal Area, including inadequate streets and traffic congestion, inadequate pedestrian and bicycle facilities, substandard and obsolete buildings, inadequate sewer, water and drainage facilities, and underutilized and unproductive land.
2. To make public improvements necessary to encourage new private investment in the Renewal Area including streets, sewer, water

and drainage facilities.

3. To increase taxable values in the Renewal Area.
4. To improve the east-west accessibility between Red Soils and the rest of the Hilltop area and the Oregon City Bypass, and create safer highway conditions.
5. To improve the accessibility to Beaver Creek Road for properties with good development potential.
6. To plan for and support development and redevelopment along the Beaver Creek Road corridor which is consistent with the Comprehensive Plan.
7. To further the objectives of this Renewal Plan by assisting as necessary in the acquisition of land for development purposes, and for the assembly of development sites.
8. To take steps necessary to establish and administer a marketing program to aid the development and redevelopment of land in the Renewal Area.

500. PROPOSED LAND USES

The Land Use Plan consists of the Land Use (Comprehensive Plan) Plan Map (Exhibit 2), the Zoning Map (Exhibit 3) and the descriptive material and regulatory provisions contained in this Section (both those directly stated and those herein included by reference). This Plan Amendment shall be in accordance with the approved Comprehensive Plan of the City of Oregon City and with its implementing ordinances and policies.

The use and development of land in the Amended Renewal Area shall be in accordance with the regulations prescribed in the City's Comprehensive Plan, Zoning Ordinance, Subdivision Ordinance, City Charter, or any other applicable local, state or federal laws regulating the use of property in the Renewal Area. Table 1 shows the land use designations and the number of acres in each plan category. Exhibits 2 and 3 show land use and zoning respectively.

TABLE 1

COMPREHENSIVE PLAN DESIGNATIONS

<u>Designation</u>	<u>Acres</u>	<u>Acres in ROW</u>
O (Limited Office)	4.60	
C (Commercial)	23.30	2.20
I (Industrial)	145.20	14.00
MR (Med. Density)		0.20
LR (Low Density)		0.40
Total	189.90	

The Zoning classifications correspond to the Comprehensive Plan designations: LO (Limited Office), C (General Commercial), M-1 (Light Industrial), RD-4 (Medium Density Residential), R-6 (Low Density Residential).

600. DESCRIPTION OF PROJECT

The Urban Renewal Project consists of activities which treat the causes of blight and deterioration in the Amended Urban Renewal Area. When the Urban Renewal Project was established, this Urban Renewal Area was characterized by underdevelopment, and unproductive conditions of land. Conditions which impaired development included inadequate streets, traffic circulation problems, and inadequate public facilities and utilities.

Project activities to treat these conditions include:

- * Street improvements, to improve access to land in the project

area, and improve traffic safety and circulation.

- * Storm drainage improvements, to allow more productive use and development of land in the area.
- * Water and sewer improvements, to permit more productive use of land in the area, and to improve flow capacities for fire safety purposes.
- * Acquisition, and disposition of land. Land will be acquired for public improvements and for assembly of development sites. (See Section 700C) This activity is intended to improve utilities and rights-of-way, remove incompatible land uses, and further the development objectives of this Plan.
- * Administration and co-ordination of development in the Project Area.

700. PROJECT ACTIVITIES

In order to achieve the goals and objectives of this Plan, the following project activities will be undertaken on behalf of the City by the Urban Renewal Agency (hereinafter referred to as "Agency") in accordance with applicable federal, state, county and city laws, policies, and procedures.

Because this Amendment removes all of the "first level" areas included in the original 1983 Plan, all of the project activities for the Amended Renewal Area are stated and restated herein and need not be referenced in any previous plan or amendment.

The Amended Plan shall be used as the guiding document and description of project activities to be undertaken, subject to revisions as may be appropriate through final design, engineering, scheduling, budgeting and implementation as carried out by the Agency. The Report on the Amended Plan lists annual project activities and contains projected costs and scheduling of project activities.

A. Transportation and Storm Drainage Improvements

The 1989 Amendment to the Urban Renewal Plan included Transportation and Storm Drainage improvements intended to improve circulation and access within the Hilltop area of the Plan, and provide services adequate to permit more productive use of land in the area. It is deemed necessary to carry out these improvements within the Hilltop Area. Therefore, this Urban Renewal Plan calls for the following Transportation and Storm Drainage improvements within the Urban Renewal Area:

1. **Beavercreek Road and Molalla Avenue Improvements, Phase 1.** The intent of this activity is to improve the Molalla Avenue/Beavercreek Road intersection. The project includes signal relocation, sidewalk/bike path, drainage and street improvements, and right-of-way acquisition on Molalla Avenue and Beavercreek Roads.
2. **Red Soils Access and Drainage Improvements.** This activity will construct a new roadway from the Molalla Avenue/Beavercreek Road intersection to Kaen Road. The project includes curb, sidewalks, street and drainage improvements. No right-of-way acquisition is anticipated.
3. **Fir Street Extension and Beavercreek Road Frontage Improvements.** This activity will construct a new roadway from Beavercreek Road south to Fir Street. Only the portion of the new roadway within the Renewal Area will be financed with tax increment revenues. The project includes curb, sidewalk, street and drainage improvements for the new road; curb,

sidewalk, street and drainage improvements to the Beavercreek Road frontage; and right-of-way acquisition.

4. **Younger/Jacobi Access and Beavercreek Road Frontage Improvements.** This activity will construct a new roadway from Beavercreek Road to the Younger property. The project includes curb, street and drainage improvements for the new road; curb, sidewalk, street and drainage improvements to the Beavercreek Road frontage; and right-of-way acquisition.
5. **Beavercreek Road Improvements, Phase 2.** This activity will improve and widen Beavercreek Road from the Phase 1 improvement to a point east of the Oregon City Bypass. The project includes curb, sidewalk, bikeway, signals, street and drainage improvements, and right-of-way acquisition. Tax increment revenues will finance a portion of the total project cost.
6. **Warner Milne Road Improvements.** This activity will improve and widen Warner Milne Road from Molalla Avenue to Warner Parrot ~~Avenue~~. The project includes curb, sidewalk, bikeway, street, and drainage improvements, right of way acquisition, and a new signal at Kaen Road. Tax increment revenues will finance a portion of the total project cost.

B. Sewer and Water Improvements

The 1989 Amendment to the Urban Renewal Plan included sewer and water improvements necessary to adequately service land within the Hilltop area of the Plan, and permit more productive use and development of land in the area. It is deemed necessary to carry out these improvements in the Hilltop area. Therefore, this Urban Renewal Plan calls for the following improvements to be implemented within the Urban Renewal Area:

1. **Red Soils Sanitary Sewer Improvements.** This activity will construct a new sanitary sewer line across the Red Soils property to Molalla Avenue. Tax increment revenues will finance a portion of the total project costs.
2. **Red Soils Water Improvements.** Construct new water lines in Kaen Road and across the Red Soils property to Molalla Avenue. Tax increment revenues will finance a portion of the total project costs.

C. Property Acquisition

The 1983 Urban Renewal Plan authorized real property acquisition for right-of-way improvements, and to implement a variety of public and private development activities. The 1989 Amendment to the Urban Renewal Plan included additional property acquisition within

the Hilltop area of the Plan. Acquisitions included in that Amendment were for right-of-way purposes, and for assembly and disposition for private development purposes.

This Amended Plan authorizes the acquisition of an additional property for redevelopment purposes. This acquisition is a portion of a parcel of land within the Red Soils area, currently owned by Clackamas County. Acquisition of this property will be accomplished in phases. The property is identified in Exhibit 5, and in Table 2 of this section of the Plan.

Acquisition of real property is determined necessary to carry out the objectives of this Amended Plan. Accordingly, this Plan authorizes the following property acquisitions within the Amended Urban Renewal Area:

1. **Property to be acquired for public use.** It is anticipated that acquisition of real property will be necessary to carry out public use objectives of this plan. Real property acquisition will be necessary to carry out roadway right-of-way improvements as described for project activities 1.a-1.e.

The real property which may be acquired for public use is shown in Exhibit 4 of this Plan Amendment, and is listed by Tax Map and Lot in Table 2 of this section.

Property for public facilities other than streets may be acquired by gift, eminent domain, or any other lawful method for the purpose of development of public improvements. Such property shall not be acquired until this Plan is amended pursuant to Section 900. of this Plan.

2. **Property to be Acquired for Redevelopment.** Acquisition of property for redevelopment is necessary to carry out the objectives of this Plan. The Agency may acquire, assemble, and dispose of property for redevelopment by a redeveloper. Such action will assist in private commercial and industrial development in the Renewal Area by allowing the consolidation of property into a parcel or parcels of adequate size for development.

Property will be disposed of according to the terms of a Disposition and Development Agreement, specifying the obligations of the Renewal Agency and the Developer.

Property which may be acquired for Redevelopment is shown in Exhibit 5 of this Plan Amendment, and listed by Tax Map and Lot in Table 2 of this section.

Additional property for Redevelopment shall not be acquired until this Plan is amended pursuant to Section 900 of this Plan.

TABLE 2

Properties to be Acquired for Public Use

Tax Map	Tax Lot
3-2E-5DB	3400
3-2E-5D	500 (Portion)
3-2E-5D	501 (Portion)
3-2E-5D	400 (Portion)
3-2E-5D	1000
3-2E-5D	1100
3-2E-5C	300 (Portion)
3-2E-5D	1300 (Portion)
3-2E-5D	1400 (Portion)
3-2E-9B	2000 (Portion)
3-2E-5C	293 (Portion)

Schedule: It is anticipated that the properties to be acquired for public use will be acquired during the period 1991 to 1998.

Properties to be Acquired for Redevelopment

Tax Map	Tax Lot
3-2E-5DB	3300
3-2E-5DB	3200
3-2E-5DB	3201
3-2E-5C	800 (Portion)

Schedule: It is anticipated that the properties to be acquired for redevelopment will be acquired during the period 1991 to 1998.

D. Property Disposition, Redevelopment, and Redeveloper's Obligations

The Renewal Agency will dispose of property acquired within the Amended Renewal Area for redevelopment for uses and purposes specified in this Plan. Properties shall be subject to disposition for the following purposes:

1. Road, street, and utility improvements.
2. Construction of pedestrian, bikeway, or other public facilities specified in this plan.

3. Redevelopment by private redevelopers for purposes consistent with the uses and objectives of this plan. Such disposition will be in accordance with the terms of a Disposition and Development Agreement between the Developer and the Renewal Agency.

The Renewal Agency may enter into agreements to acquire land, to hold land for future development, to dispose of any land it has acquired at fair reuse value, and to define the fair reuse value of any land.

Disposition Schedule: It is anticipated that property acquired for redevelopment will be disposed of during the period 1991 to 1998.

REDEVELOPER'S OBLIGATIONS

Redevelopers within the Urban Renewal Area will be subject to controls and obligations imposed by the provisions of this Plan. Redevelopers also will be obligated by the following requirements:

1. The Redeveloper shall develop or redevelop property in accordance with the land-use provisions and other requirements specified in this Plan.
2. The Redeveloper shall submit all plans and specifications for construction of improvements on the land to the Renewal Agency or its designated agent, for review prior to distribution to reviewing bodies as required by the City.
3. The Redeveloper shall commence and complete the development of such property for the use provided in this Plan within a reasonable period of time as determined by the Agency.
4. The Redeveloper shall accept all conditions and agreements as may be required by the Renewal Agency. The Renewal Agency may require the redeveloper to execute a development agreement acceptable to the Renewal Agency as a condition of the Agency's assistance.
5. The Redeveloper shall not effect any instrument whereby the sale, lease, or occupancy of the real property, or any part thereof, is restricted upon the basis of age, race, color, religion, sex, marital status, or national origin.

E. Administration and Planning

Administration and Planning. The Renewal Agency may participate in the planning, design and engineering of public improvements noted in this section, in preparing and administering a marketing program for the disposition,

development, and redevelopment of property within the Renewal Area, and in carrying out activities necessary for the general administration of this Plan.

800. RELOCATION

Should conditions arise which would cause the acquisition of developed and occupied property by the Urban Renewal Agency, the Agency will provide assistance to persons or businesses displaced in finding replacement facilities.

All persons or businesses which may be displaced will be contacted to determine such relocation needs. They will be provided information on available space and will be given assistance in moving. All relocation activities will be undertaken and payments made, in accordance with the requirements of ORS 281.045-281.105 and any other applicable laws or regulations. Relocation payments will be made as provided in ORS 281.060. Payments made to persons displaced from dwellings will assure that they will have available to them decent, safe, and sanitary dwellings at costs or rents within their financial reach. Payment for moving expense will be made to residences and businesses displaced.

900. FUTURE AMENDMENTS

It is anticipated that this plan will be reviewed periodically during the execution of the Project. The plan may be changed, modified, or amended as future conditions warrant.

Where, in the judgement of the Renewal Agency, the proposed modification will substantially change the plan, the modification must be approved by the City Commission in the same manner as the original plan.

Minor changes to the Plan shall be made by a duly approved resolution of the Agency which describes the details of the minor change.

A. Minor changes.

Minor changes shall include:

1. Clarification or additions to definitions, or graphic exhibits in this Plan.
2. Clarification of descriptions of project activities, where these modifications are consistent with the overall intent of the Plan.
3. Modification in the location of project improvements authorized in this plan, as such modifications may result from

detailed engineering, architectural, or planning analysis.

4. Modifications resulting from amendments to the City's Comprehensive Plan, or the codes, policies, or ordinances which are established to implement the Comprehensive Plan.
- B. Substantial Changes.**

Substantial changes, requiring City Commission approval in the same manner as the original plan, shall include:

1. Changes to the boundary of this Plan.
2. Acquisition of property not undertaken in connection with projects or activities defined in Sections 700 A through C of this plan.
3. The addition of project activities which would modify the purposes and objectives of this Plan.

1000. FINANCING METHODS

A. General

The Urban Renewal Agency may borrow money and accept advances, loans, grants and other forms of financial assistance from the federal government, the state, city, county or other public body, or from any sources, public or private for the purposes of undertaking and carrying out this plan. In addition, the Agency may borrow money from, or lend money to a public agency in conjunction with a joint undertaking of a project authorized by this plan. If such funds are loaned, the Agency may promulgate rules and procedures for the methods and conditions of payment of such loans.

The funds obtained by the Agency shall be used to pay or repay any costs, expenses, advances and indebtedness incurred in planning or undertaking project activities or in otherwise exercising any of the powers granted by ORS Chapter 457.

B. Tax Increment Financing

The costs of carrying out this Plan will be financed in whole or in part by tax increment financing, as authorized in ORS 457.420 through ORS 457.450.

PLAN AMENDMENT PART TWO - EXHIBITS

Exhibit 1	Boundary Map of Project Area
Exhibit 1A	Legal Description of Project Area
Exhibit 2	Land Use Map of Project Area
Exhibit 3	Zoning Map of Project Area
Exhibit 4	Map of Properties to be Acquired for Public Use
Exhibit 5	Map of Properties to be Acquired for Redevelopment
Exhibit 6	Map of Proposed Project Activities

Appendix A	Boundary of 1983 Urban Renewal Plan
Appendix B	Boundary of Area Amended in First Amendment, 1989

PRESTON
THORGRIMSON
SHIDLER
GATES & ELLIS

ATTORNEYS AT LAW

3200 U.S. BANCORP TOWER
111 S.W. FIFTH AVENUE
PORTLAND, OR 97204-3635
TELEPHONE: (503) 228-3200
FACSIMILE: (503) 248-9085

RANDALL B. BATEMAN

August 1, 1990

Agenda item #3
Red Soils
Acquisition
Status Report

Mr. John Block
Oregon City Urban Renewal Agency
320 Warner Milne Road
Oregon City, OR 97045

RE: Red Soils Property

Dear John:

Enclosed for your comment and review please find the following:

1. Agreement of Purchase and Sale. We have enclosed both the original Agreement of Purchase and Sale and a marked copy to show the changes from the prior draft. Please also note that you will need to attach the new Exhibit A, the new Exhibit C, the new Exhibit D and the new Exhibit E.

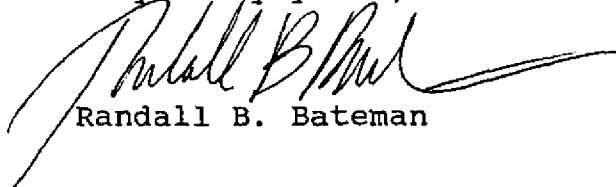
2. An original and a marked copy of the Option to Purchase Real Property. Again, you will need to attach Exhibit 1 which is the new map.

3. An original and a marked copy of the Agreement for the Sale of Real Property. Please note that we have not yet filled in paragraph 6(a)(i) since we have not received the preliminary title report.

4. Finally, we have enclosed an informal letter of understanding regarding cost sharing in the event the project does not proceed. This letter should be placed on the letterhead of the Oregon City Urban Renewal Agency and sent to the County if you are in agreement with its terms.

Thank you for your consideration of this matter and do not hesitate to contact me should you have additional questions or concerns.

Very truly yours,


Randall B. Bateman

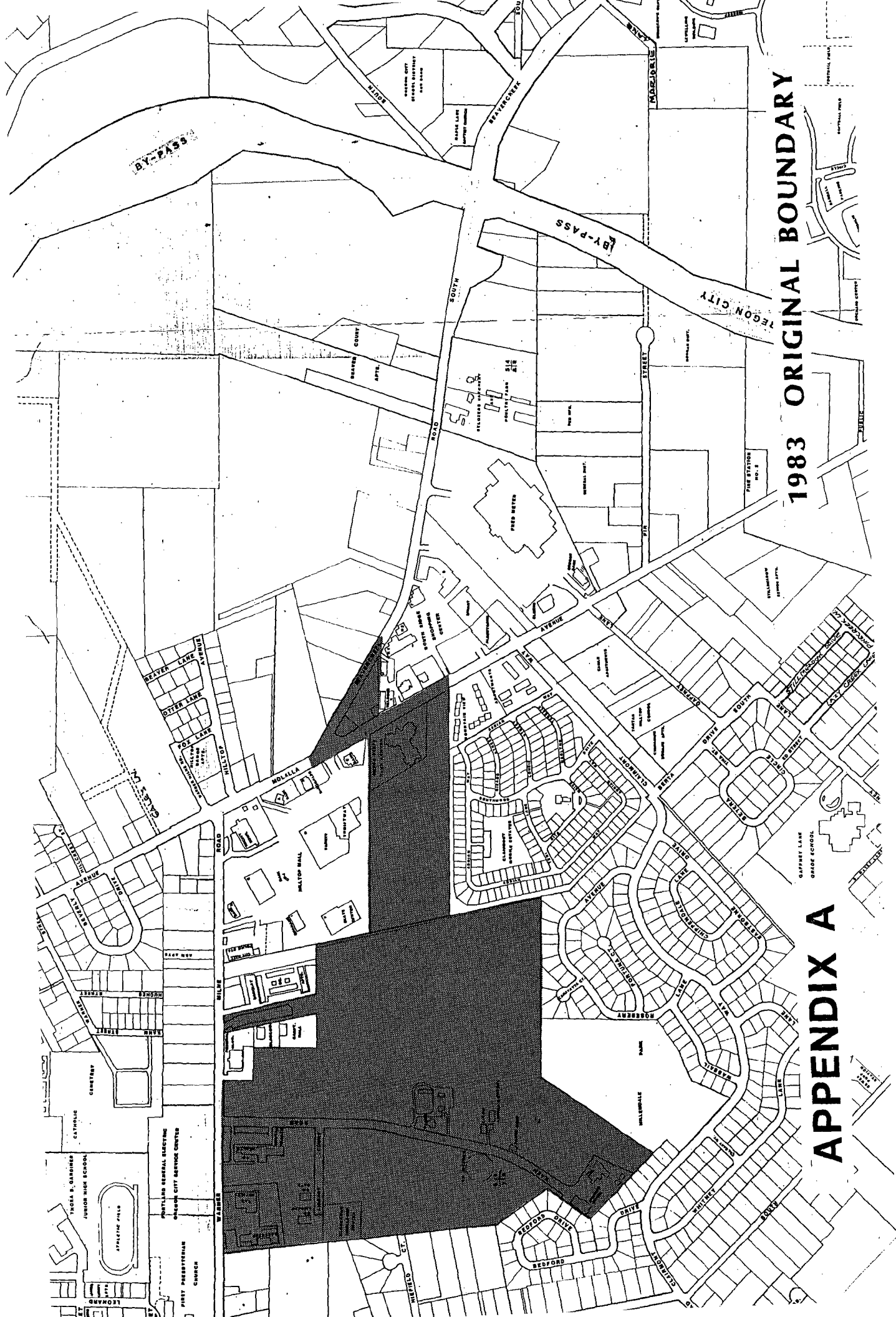
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Enclosures

cc: Edward J. Sullivan, Esq.

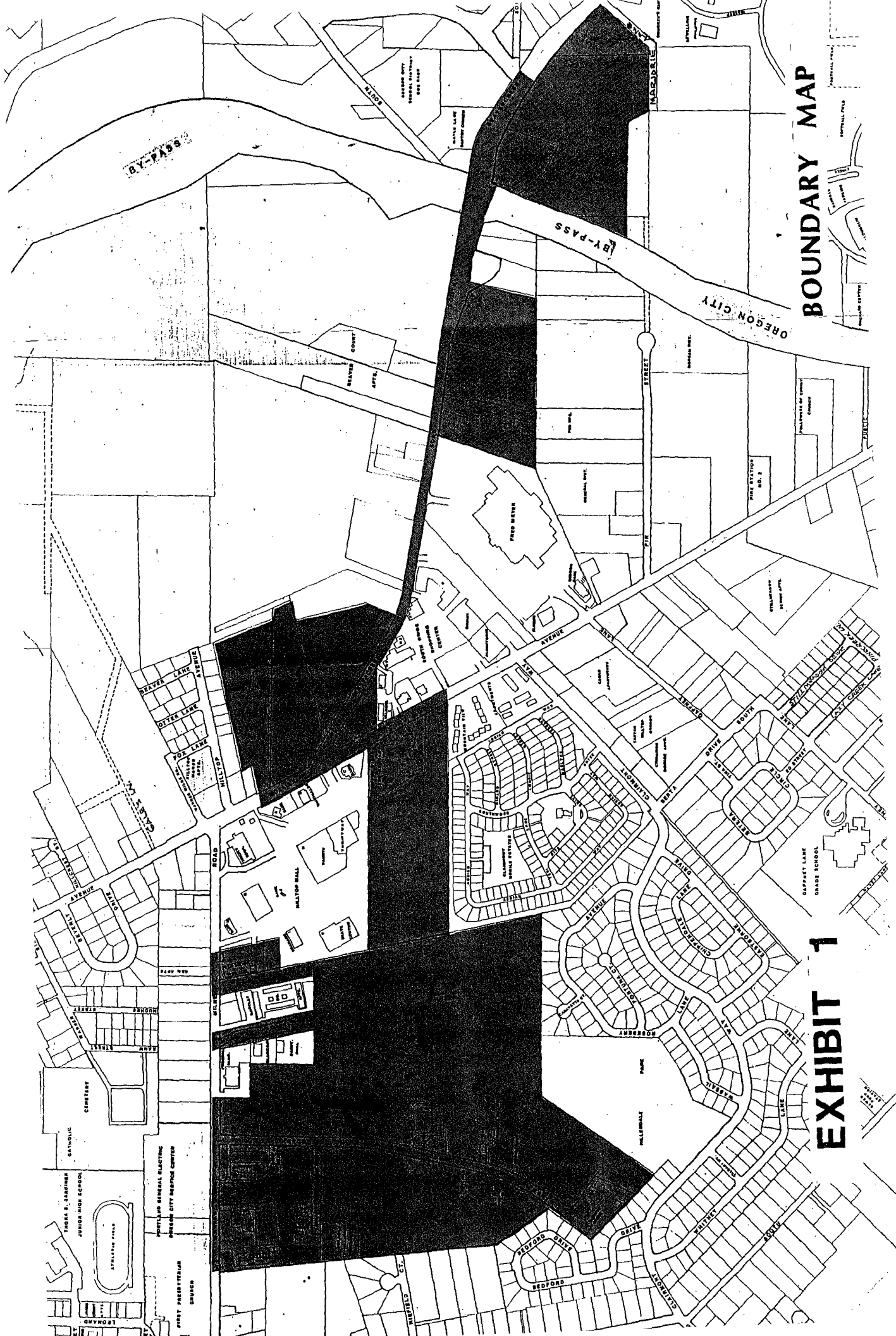
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APPENDIX A



[illegible]

EXHIBIT 1



**LEGAL DESCRIPTION
of
URBAN RENEWAL DISTRICT BOUNDARY**

1

A tract of land situated in the South half of Section 5 and the North half of Section 9, Township 3 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon, and being more particularly described as follows:

BEGINNING at a point of intersection of the Southwesterly right-of-way line of Oregon State Highway 213 (also known as Market Road 22) and the Northwesterly projection of the Northeasterly right-of-way line of South Beavercreek Road (also known as Market Road 11), said beginning point being located in the Southwest quarter of said Section 5;

- 1) THENCE Southeast 505 feet, more or less, along the Southwesterly right-of-way line of said Oregon State Highway 213 to a point on a line which is 29 feet North of and parallel to the South boundary of the tract of land as described in Deed Reference 78-47506 as Parcel 1 of Exhibit A;
- 2) THENCE West 1260 feet, more or less, along said line running parallel to and 29 feet North of said South boundary to the Southwesterly boundary of said tract of land;
- 3) THENCE Northwest 323 feet, more or less, along said tract of land Southwesterly boundary to the South boundary of Tax Lot 500, Deed Reference 82-3019;
- 4) THENCE N. 13° 17' W. along the East line of that certain tract of land conveyed to City of Oregon City, a municipal corporation, by deed as recorded on February 2, 1982 under Recorder Fee No. 82-3019, Clackamas County Records a distance of 223.27 feet to the Southwest corner of that certain tract of land conveyed to City of Oregon City, a municipal corporation, by deed as recorded on June 8, 1979 under Recorder Fee No. 79-23802, Clackamas County Records;
- 5) THENCE N. 89° 12' 30" E. along the South line of said Oregon City tract (79-23802) a distance of 190.00 feet to the Southeast corner thereof;
- 6) THENCE N. 13° 17' W. along the East line of said Oregon City tract (79-23802) and its Northwesterly extension a distance of 466 feet, more or less, to the Northerly line of Warner Milne Road;
- 7) THENCE S. 89° 12' 30" W. along the North line of said Warner Milne Road a distance of 290.00 feet to a point at the intersection with the Northwesterly extension of the Westerly line of said Oregon City tract (82-3019);
- 8) THENCE S. 13° 17' W. along the West line of said Oregon City tract (82-3019) a distance of 690 feet, more or less, to the Southwest corner thereof;
- 9) THENCE West 231 feet, more or less, along said South Tax Lot 500 boundary and continuing along the South boundary of Tax Lot 602, Deed Reference 76-12602, to the Southwest corner of said Tax Lot 602;
- 10) THENCE, Northwest 690 feet along the Southwesterly boundary of said Tax Lot 602 and continuing along a Northwesterly projection of said Southwesterly boundary (crossing Warner-Milne Road) to the Northerly right-of-way line of Warner-Milne Road;

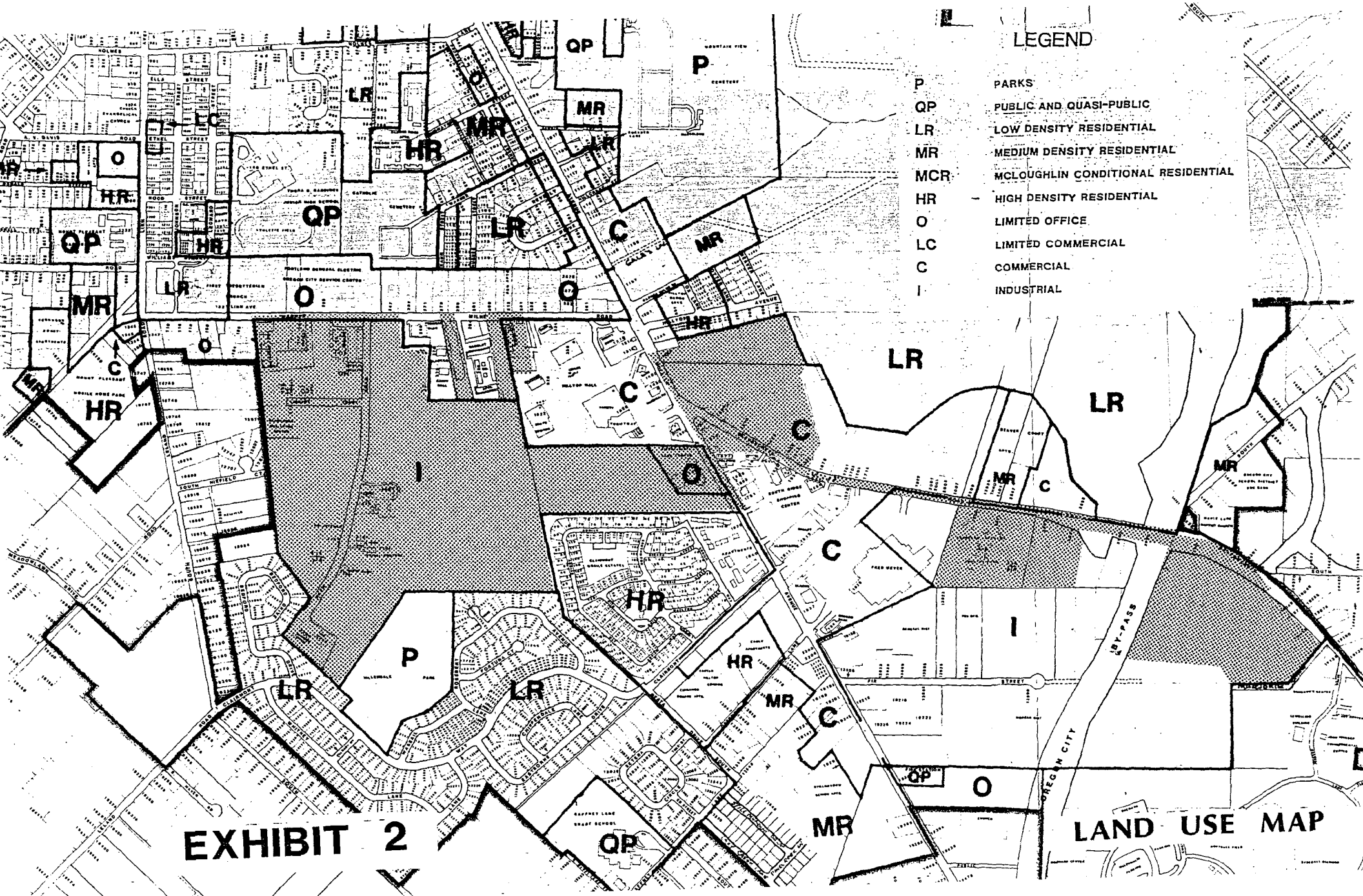
EXHIBIT 1A

- 11) THENCE West 100 feet along said Northerly Warner-Milne Road right-of-way to a point on the Northwestern projection of the Easterly boundary of Tax Lot 700, Deed Book 681, Page 500';
- 12) THENCE Southeasterly 690 feet, (crossing Warner-Milne Road) along said Easterly Tax Lot 700 boundary and continuing along the Easterly boundary of Tax Lot 801, Deed Reference 71-32917, and Tax Lot 802, Deed Reference 80-30350, to the Southeast corner of said Tax Lot 802;
- 13) THENCE West 214 feet along the South boundary of said Tax Lot 802 to its Southwest corner;
- 14) THENCE North 410 feet along the West boundary of said Tax Lots 802 and 801 to the Northwest corner of said Tax Lot 801'
- 15) THENCE West 211 feet along the South boundary of Tax Lot 700, Deed Book 681, Page 500, to its Southwest corner;
- 16) THENCE North 260 feet along the West boundary of said Tax Lot 700 and continuing on a projection of said West boundary, (crossing Warner-Milne Road) to the Northerly right-of-way line of Warner-Milne Road;
- 17) THENCE West 1132 feet, more or less, along said Northerly Warner-Milne Road right-of-way line to the Northerly projection of the Westerly boundary of Tax Lot 800, Deed Book 210, page 9,
- 18) THENCE South 6° 06' 40" East 1849.82 feet (crossing Warner-Milne Road) along the Westerly boundary of said Tax Lot 800 to a 1½" iron pipe;
- 19) THENCE South 37° 02' 20" East 420.08 feet along the Southwesterly boundary of said Tax Lot 800 to a 1¼" iron pipe;
- 20) THENCE South 32° 13' 20" West 339.10 feet along the Southwest boundary of said Tax Lot 800 to an 18" x 18" stone marked with a cross;
- 21) THENCE South 46° 59' 20" East 617.91 feet along the Southwesterly boundary of said Tax Lot 800 to a 1¼" iron pipe;
- 22) THENCE North 32° 20' 20" East 866.99 feet along said Tax Lot 800 Southerly boundary to a ½" iron pipe;
- 23) THENCE North 89° 18' 30" East 1170 feet along said Southerly boundary and continuing along the Southerly boundary of Tax Lot 900, Deed Reference 80-16605, to the Westerly boundary of Tax Lot 402, Deed Reference 82-34935;
- 24) THENCE Northwest 640 feet, more or less, along the Westerly boundary of said Tax Lot 402 to the Southwest corner of Tax Lot 401, Deed Reference 77-4139;
- 25) THENCE East 1530 feet, more or less, along the South boundary of said Tax Lot 401 and continuing along an Easterly projection of said South boundary (crossing State Highway 213) to the Northeasterly right-of-way line of State Highway 213;
- 26) THENCE Northwest 520 feet, more or less, along said State Highway 213 Northeasterly right-of-way line to the South boundary of Tax Lot 1100, Deed Book 595, Page 127;

- 27) THENCE East 500 feet, more or less, along the South boundary of said Tax Lot 1100 and continuing along the South boundary of Tax Lot 1000 South boundary to the Southwesterly right-of-way line of South Beaver creek Road;
- 28) THENCE Southeasterly along the Southwesterly line of said South Beaver creek Road a distance of 1600 feet, more or less, to the Northwest corner of Lot 19 of the duly recorded plat of Clairmont Acreage Tracts No. 3 (County plat No. 277);
- 29) THENCE S. 17° 12' W. along the Westerly line of said Lot 19 a distance of 546.3 feet to an angle point;
- 30) THENCE S. 15° 42' W. continuing along the Westerly line of said Lot 19 a distance of 191.4 feet to the Southwest corner thereof;
- 31) THENCE East along the South line of Lot 19, 18, 17 and 16 of said Clairmont Acreage Tracts No. 3 a distance of 1098.7 feet to the Southeast corner of said Lot 16;
- 32) THENCE North along the East line of said Lot 16 a distance of 360 feet, more or less, to the intersection with the Southwest line of said South Beaver creek Road;
- 33) THENCE N. 28° 40' W. along the Southwest line of said South Beaver creek Road a distance of 90 feet, more or less, to an angle point;
- 34) THENCE S. 73° 40' E. a distance of 140 feet, more or less, to an angle point in the Southwest line of said South Beaver creek Road;
- 35) THENCE Southeast along the Southwest line of said South Beaver creek Road a distance of 310 feet, more or less, to the intersection with the Westerly line of Oregon State Highway No. 213;
- 36) THENCE S. 78° 30' E. a distance of 250 feet, more or less, to the intersection of the Easterly line of said Oregon State Highway No. 213 and the Southwest line of said South Beaver creek Road;
- 37) THENCE S. 22° W. along the Northeast line of said Oregon State Highway No. 213 a distance of 600 feet, more or less, to Engineer's centerline Station 230 + 64.79 P.C.S.;
- 38) THENCE Southwesterly along the arc of a 400 foot spiral curve to the right, having an arc distance of 344.90 feet (chord bears S. 25° 32' 37" W. a distance of 344.83 feet) to a point;
- 39) THENCE N. 89° 34' 34" E. a distance of 830.96 feet to a point;
- 40) THENCE S. 45° 25' 26" E. a distance of 162.16 feet to a point in the North line of that certain tract of land conveyed to Lee Kronberg, et ux., as Parcel I by deed as recorded under Recorder Fee No. 69-8065;
- 41) THENCE N. 89° 34' 34" E. along the North line of said Kronberg tract a distance of 300.11 feet to an angle point in the North line of a 70 foot Public Street;
- 42) THENCE N. 37° 06' 37" E. along the Northwesterly line of said 70 foot Public Street a distance of 398.09 feet to a point on the Southwest line of said South Beaver creek Road;

- 43) THENCE Northwest along the Southwest line of said South Beaver Creek Road a distance of 600.00 feet to a point;
- 44) THENCE Northeast, crossing said South Beaver Creek Road at right angles, a distance of 100 feet, more or less, to a point on the Northeasterly line of South Beaver Creek Road;
- 45) THENCE Northwest along the Northeasterly line of South Beaver Creek Road a distance of 850 feet, more or less, to the intersection with the Easterly line of said Oregon State Highway No. 213;
- 46) THENCE N. 82° W. a distance of 250 feet, more or less, to the intersection of the Westerly line of said Oregon State Highway No. 213 and the Northeast line of said South Beaver Creek Road;
- 47) THENCE Westerly along the Northeasterly line of said South Beaver Creek Road a distance of 2650 feet, more or less, to the most Southerly corner of that certain tract of land conveyed to Clarence Rippey, et ux., by deed as recorded on September 30, 1958 in Book 546, Page 56, Clackamas County Records;
- 48) THENCE N. 19° E. along the Southeast line of said Rippey tract a distance of 180 feet, more or less, to an angle point;
- 49) THENCE N. 15° 10' W. along the Northeast line of said Rippey tract a distance of 470 feet, more or less, to the most Northerly Northeast corner thereof;
- 50) THENCE N. 75° 01' 15" E. along the Southeast line of that certain tract of land conveyed to Maurice Jacobs-Jacobi, et ux., by deed as recorded in Book 686, Page 3, Clackamas County Records, to the most Easterly corner thereof;
- 51) THENCE N. 25° 30' W. along the Easterly line of said Jacobi tract a distance of 133.31 feet to the Northeast corner thereof;
- 52) THENCE West along the North line of said Jacobi tract a distance of 120 feet, more or less, to the most Southerly Southeast corner of that certain tract of land conveyed to Verdell D. Younger, et ux., as recorded on May 23, 1969 under Recorder Fee No. 69-9411, Clackamas County Records;
- 53) THENCE N. 21° 45' W. along the Northeast line of said Younger tract and its Northeasterly extension a distance of 415 feet, more or less, to a point on the Southeast line of the duly recorded plat of Hilltop Acres (County Plat No. 1166);
- 54) THENCE S. 76° 55' W. along the Southeast line of said Hilltop Acres a distance of 650 feet, more or less, to a point on the Northeast line of that certain tract of land conveyed to Wendy's International, Inc., an Ohio corporation, as recorded on June 3, 1981 under Recorder Fee No. 81-19231, Clackamas County Records;
- 55) THENCE S. 28° 53' 38" E. along the Northeasterly line of said Wendy's tract a distance of 73.90 feet to the most Easterly corner thereof;
- 56) THENCE S. 76° 55' 00" W. along the Southeast line of said Wendy's tract and its Southwesterly extension a distance of 240 feet, more or less, to a point on the Southwest line of said Molalla Avenue;

- 57) THENCE S. 29° E. along the Southwest line of said Molalla Avenue a distance of 300 feet, more or less, to the **POINT OF BEGINNING**.

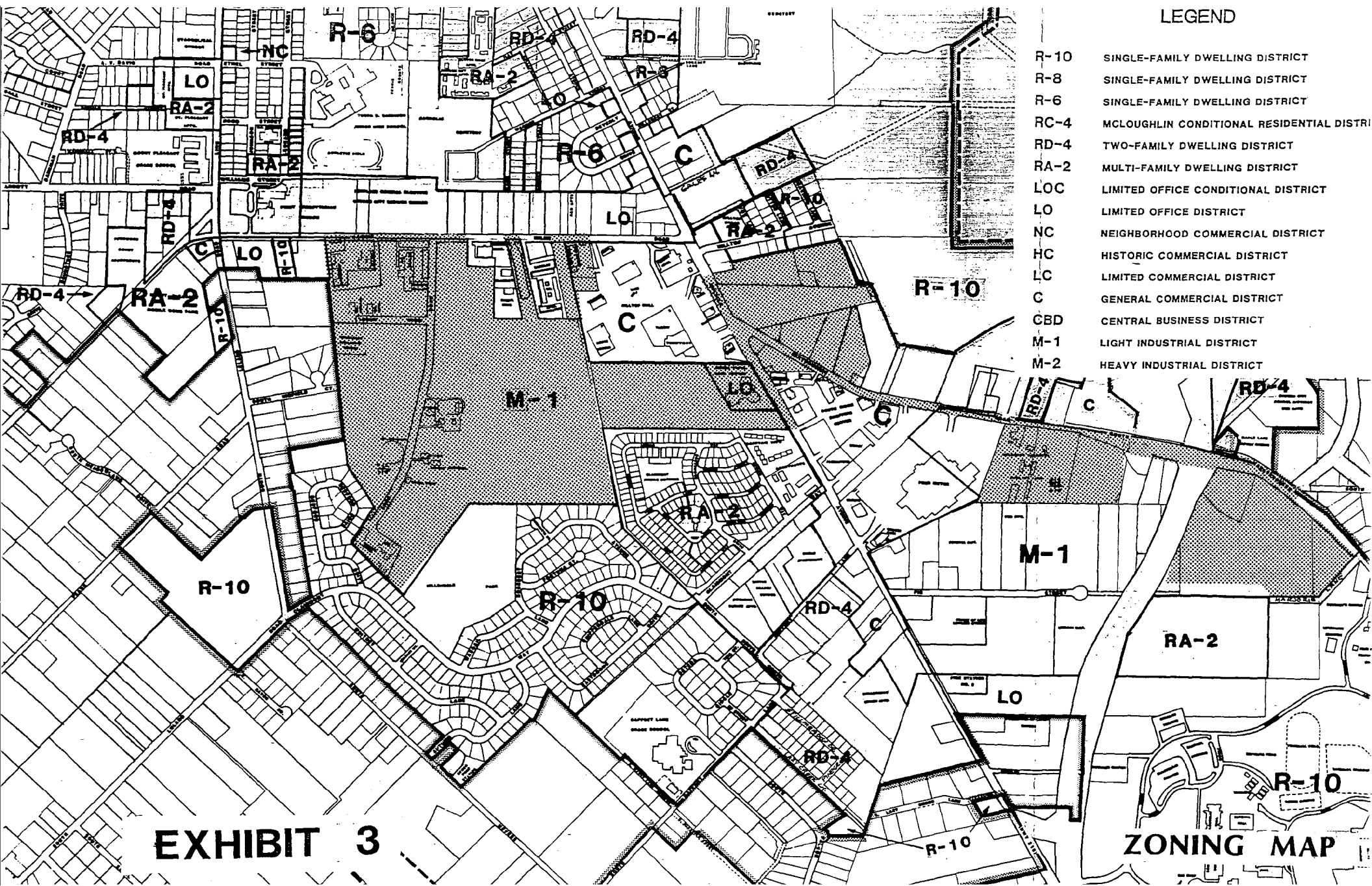


LEGEND

- P PARKS
- QP PUBLIC AND QUASI-PUBLIC
- LR LOW DENSITY RESIDENTIAL
- MR MEDIUM DENSITY RESIDENTIAL
- MCR MCLOUGHLIN CONDITIONAL RESIDENTIAL
- HR HIGH DENSITY RESIDENTIAL
- O LIMITED OFFICE
- LC LIMITED COMMERCIAL
- C COMMERCIAL
- I INDUSTRIAL

EXHIBIT 2

LAND USE MAP

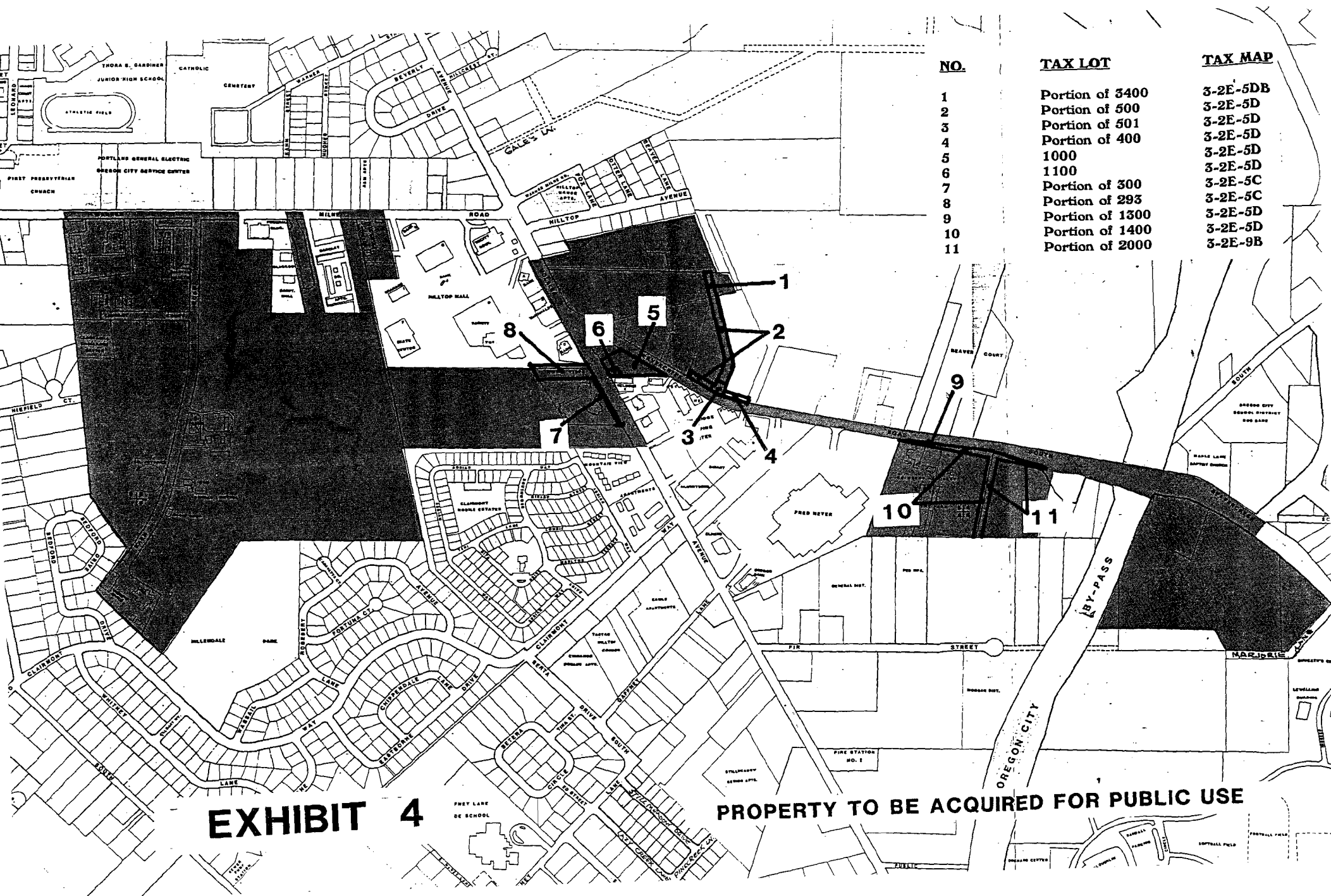


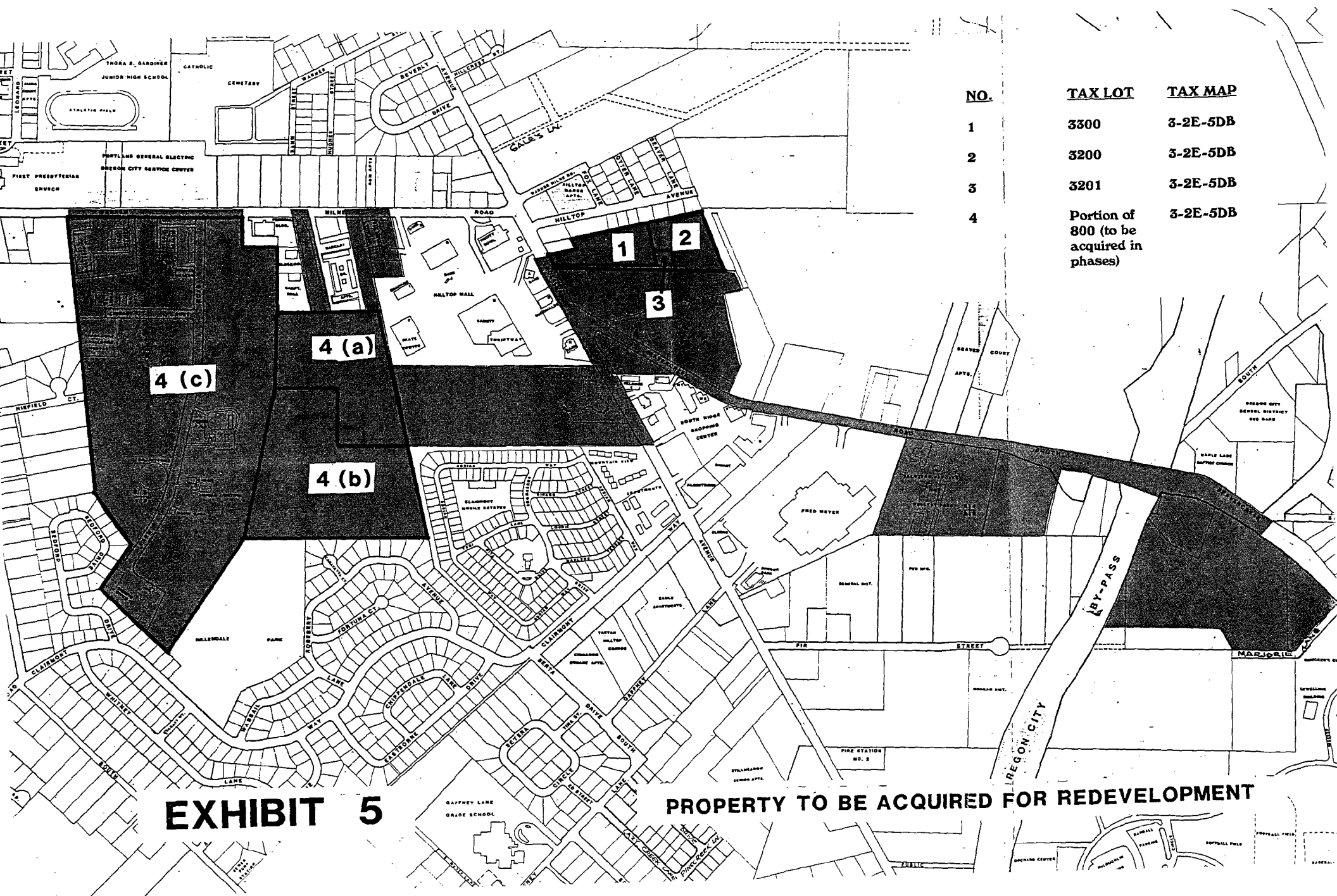
LEGEND

- R-10 SINGLE-FAMILY DWELLING DISTRICT
- R-8 SINGLE-FAMILY DWELLING DISTRICT
- R-6 SINGLE-FAMILY DWELLING DISTRICT
- RC-4 MCLOUGHLIN CONDITIONAL RESIDENTIAL DISTRICT
- RD-4 TWO-FAMILY DWELLING DISTRICT
- RA-2 MULTI-FAMILY DWELLING DISTRICT
- LOC LIMITED OFFICE CONDITIONAL DISTRICT
- LO LIMITED OFFICE DISTRICT
- NC NEIGHBORHOOD COMMERCIAL DISTRICT
- HC HISTORIC COMMERCIAL DISTRICT
- LC LIMITED COMMERCIAL DISTRICT
- C GENERAL COMMERCIAL DISTRICT
- CBD CENTRAL BUSINESS DISTRICT
- M-1 LIGHT INDUSTRIAL DISTRICT
- M-2 HEAVY INDUSTRIAL DISTRICT

EXHIBIT 3

ZONING MAP





NO.

1

2

3

4

TAX LOT

3300

3200

3201

Portion of
800 (to be
acquired in
phases)

TAX MAP

3-2E-5DB

3-2E-5DB

3-2E-5DB

3-2E-5DB

EXHIBIT 5

PROPERTY TO BE ACQUIRED FOR REDEVELOPMENT





CLACKAMAS COUNTY

Department of Assessment and Taxation

RAY ERLAND
COUNTY ASSESSOR

July 25, 1990

Mr. Frank Peccia
Property Tax Division
Local Government Section
Revenue Building, Room 256
Salem, OR 97310

RE: Oregon City Urban Renewal Agency
Requested Amendment to Plan to Withdraw Area

Dear Frank:

Please find enclosed a July 20, 1990 letter from Oliver Norville, who represents the City of Oregon City. This letter represents his legal opinion and historical perspective of the laws governing the withdrawal of an area from an urban renewal plan. The City of Oregon City is requesting we withdraw an area from their urban renewal plan to be effective for the 1990-91 tax rate computations.

We have relied on past practices, previous Department of Revenue instructions, and ORS 457.450, which states that the division of taxes "shall first apply to the assessment roll next following the tax roll referred to in ORS 457.430 if the assessor is provided notice of a plan adoption by the agency prior to January 1 of the assessment year to which the plan first applies." The January 1 date has also been interpreted to apply to plan amendments.

Please advise us if we need to change our procedures. If the plan amendment is allowed for this year, we would need to adjust our records in time for preparation of our annual tax roll.

Sincerely,

A handwritten signature in cursive script that reads "Ray Erland".

Ray Erland
County Assessor

Enclosure

RE:rc

cc: John G. Block
Scott Parker
Oliver Norville

RANKIN VAVROSKY DOHERTY
MACCOLL & MERSEREAU

LAWYERS

FOUNDED IN 1883 AS
SMITH & TEAL

1600 BENJ. FRANKLIN PLAZA
ONE S.W. COLUMBIA STREET
PORTLAND, OREGON 97258

OLIVER I. NORVILLE
OF COUNSEL

FACSIMILE: 503-226-0383
TELEPHONE: 503-226-6400

† ALSO LICENSED IN CALIFORNIA
* ALSO LICENSED IN MICHIGAN & COLORADO

HOWARD A. RANKIN
DENNIS R. VAVROSKY
PATRIC J. DOHERTY
E. KIMBARK MACCOLL, JR.
PETER R. MERSEREAU
JAMES P. SHANNON, LL.M.
KARL L. OLSON
THOMAS W. McPHERSON†
CURTIS E. HEIKKINEN
KATHERINE M. ZELKO, LL.M.

July 20, 1990

Mr. Ray Erland
Clackamas County Tax Assessor
168 Warner Milne Road
Oregon City, Oregon 97045

Re: Oregon City Downtown Renewal Plan;
Amendment to Plan to Withdraw Area and
Its Effect on Tax Increment Financing

Dear Mr. Erland:

In our meeting of July 17, 1990, we discussed the issue of the effect of the withdrawal of an area from the Oregon City Downtown Renewal Plan (the "Plan") on the tax increment financing which is provided for in the Plan. More specifically, the issue involved is: When should the tax collector give effect to the withdrawal of an area from an urban renewal plan for purposes of dividing the taxes as provided in 457.440? You requested that I write you this letter outlining the facts and giving my opinion concerning the legal solutions to the problem presented.

The Oregon City Urban Renewal Agency is carrying out the Plan which was adopted in 1983 pursuant to ORS Chapter 457. The Plan includes two non-contiguous areas described as the "lower level" or Downtown area and the "hilltop" or Red Soils area. The Plan provides for financing the projects listed in the Plan with tax increment financing. In establishing the certification of true cash value (the "frozen base") under the Plan, the two areas were combined under a single frozen base certificate. The Plan was later amended to add additional land to the Red Soils area. The combined frozen base has generated little tax increment funds, primarily because the property values in the Downtown area have declined and the increases in the values in the Red Soils area have not offset that decline. The Agency is now amending the Plan to exclude the Downtown area.

The Agency has advised you of its intent to amend the Plan in August to exclude the Downtown area. It has requested that the frozen base be adjusted at that time to

Mr. Ray Erland
July 20, 1990
Page Two

reflect this change and that the division of taxes be made for the current tax year based on the amended frozen base. You indicated in our meeting that if this amendment is made prior to September, 1990, the adjustment could be easily accomplished in this tax year. You also stated, however, that you had telephone conversations with Mr. Frank Peccia of the Oregon Department of Revenue who indicated that the appropriate time for making the adjustment might be in the 1991/92 tax year. His position was apparently based upon an earlier opinion of the Oregon Attorney General relating to various issues involving tax increment financing and urban renewal plan amendments. The opinion did not deal specifically with the issue presented here.

Following our July 17th meeting, I met with Marilyn Harbur of the Attorney General's office who had prepared the opinion upon which Mr. Peccia relied. I outlined to Ms. Harbur the facts and expressed my legal opinion concerning the issue presented. She indicated that she would give consideration to the matter and discuss it with Mr. Peccia early next week. I advised her that I would forward to her a copy of this letter.

The legal positions which I presented to both you and Ms. Harbur were twofold: (1) the frozen base for the Downtown area and the Red Soils area should not have been combined initially, but a separate frozen base should have been established for each area; (2) the tax increment statute (ORS 457.420 through 457.460) does not provide a specific date as to when the tax collector should give effect to an amendment to an urban renewal plan which changes the boundaries and results in an adjustment to the frozen base; he should, therefore, follow the principle established in the statutes and effect such adjustment at the earliest practicable date (in this case, for the 1990/91 tax year).

The first position is based on the underlying principle upon which tax increment financing is based: that each urban renewal area must stand on its own and generate the investment to finance the projects and activities authorized by the statute and provided for in the urban renewal plan. The language of the tax increment statute reflects this principle by its consistent reference to "an urban renewal area" throughout the statute. The only reference to "urban renewal areas" is contained in ORS 457.420(2) which is the

Mr. Ray Erland

July 20, 1990

Page Three

limitation on the cumulative tax increment values or areas permitted in each municipality. The intended distinction between "an area" and "areas" is, therefore, clear. Although the statute permits more than one urban renewal area to be included in a plan (ORS 457.010(11)), for purposes of establishing the frozen base for tax increment financing, each area should be treated separately.

The second position, that an amendment to an urban renewal plan which changes boundaries and results in an adjustment to the frozen base should be given effect as soon as practicable, results from a careful reading of the statute. The statute provides no direct guidance in dealing with the issue presented here. The only dates in the statute relate to the initial establishment of a tax increment area. The first is contained in ORS 457.430(1) which establishes the freeze date as the ". . . tax roll last equalized prior to the effective date of the ordinance approving the plan. . . ." The second is contained in ORS 457.450(1)(a) which deals with the initial division of taxes and allocation for increment under the statute. That provision requires notification of the assessor by a ". . . notice of plan adoption by the agency prior to January 1 of the assessment year to which the plan first applies." I believe a proper interpretation of these provisions and the legislative history of them reveals that these dates were intended to apply only to the initial adoption of an urban renewal plan. The statute is silent as to what occurs on an amendment of the plan requiring a modification in the frozen base certificate. A rule of reason and practicality should, therefore, be followed.

I am aware of only three situations in Oregon where there has previously been an adjustment based upon the removal of a portion of the area under a plan. The first instance was in a plan for the City of Toledo where the Georgia Pacific plant was removed from the area; the second was the Clackamas Town Center plan in Clackamas County where the shopping center was amended out of the plan; and the third was in the Downtown Waterfront plan in Portland where a substantial increment of values was removed. In all of these circumstances the purpose was to return a portion of the tax increment area to its full value on the tax rolls. In at least one of these amendments (the Downtown Waterfront plan in Portland), the plan was amended in April, the frozen base was adjusted in October and the resulting change re-

Mr. Ray Erland
July 20, 1990
Page Four

flected on the November tax bill, all in the same year. In the latter instance the assessor was notified in sufficient time to make the change without an undue burden upon the assessment and taxation procedures. While the above cases all involved the return of increment to the tax rolls and the Oregon City case will result in a positive increment to the remaining area by the elimination of the Downtown area, the same principles should apply in all instances where there is a boundary change resulting in an adjustment to the frozen base. In all of these situations the adjustment should be made if it is practical and does not place an undue burden on the tax process.

You indicated in our meeting that if you were notified in September of the Oregon City change, the adjustments could be made to the frozen base certificate for the Oregon City plan without imposing an undue burden on the assessment and taxation procedures. I believe that this is an application of the principle contained in ORS 457.430 which requires the preparation of the initial frozen base certificate for the area "as soon as practicable after the approval of a plan. . ." While this provision does not literally apply to the present situation, in the absence of specific language covering the exclusion of a portion of the urban renewal area affecting the frozen base, the principle of practicality should apply. I discussed with Ms. Harbur the need for legislation to clarify the situation. But absent such legislation, I believe a reasonable application of the present statute would permit and require the adjustment in the frozen base upon notification of the assessor by September and an application of the frozen base certificate to the 1991 tax year as reflected in the November tax billings. This adjustment, of course, would result in an increment in value under the plan and a payment to the agency of a sum estimated at approximately \$172,000 for the 1990/91 tax year.

I hope that this letter will provide you with adequate information concerning the facts and issues as well as my legal opinion concerning this matter. I will be out of the state from July 23rd to August 10th. Perhaps this matter may be satisfactorily resolved during this period. If you have any questions in my absence, Mr. Howard Rankin of this

RANKIN VAVROSKY DOHERTY MACCOLL & MERSEREAU

Mr. Ray Erland
July 20, 1990
Page Five

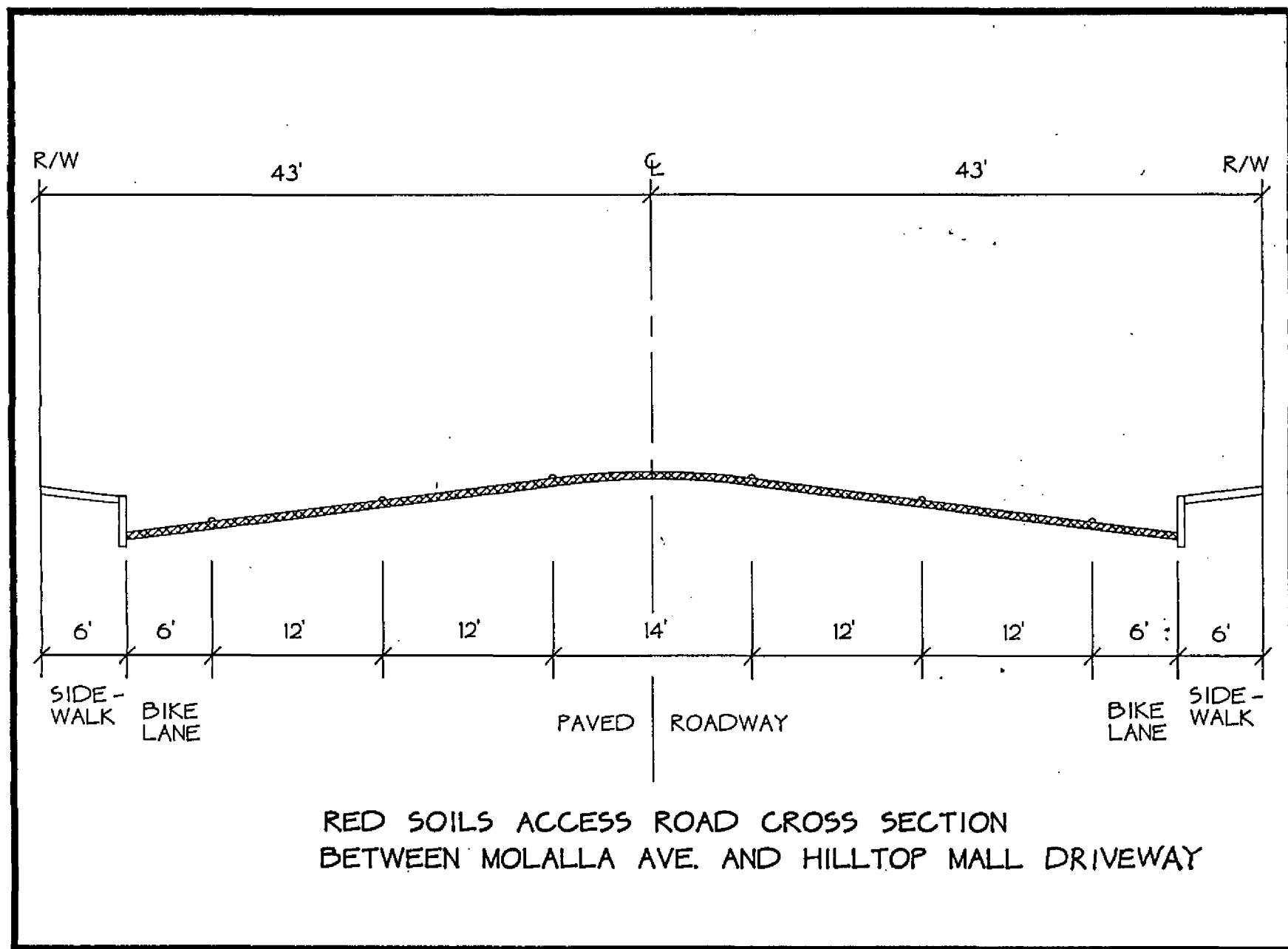
office is familiar with the issues presented and will answer any questions that you or others may have. I appreciate the time and cooperation you have given in resolving this matter. As you know, it is of utmost importance to Oregon City.

Very truly yours,

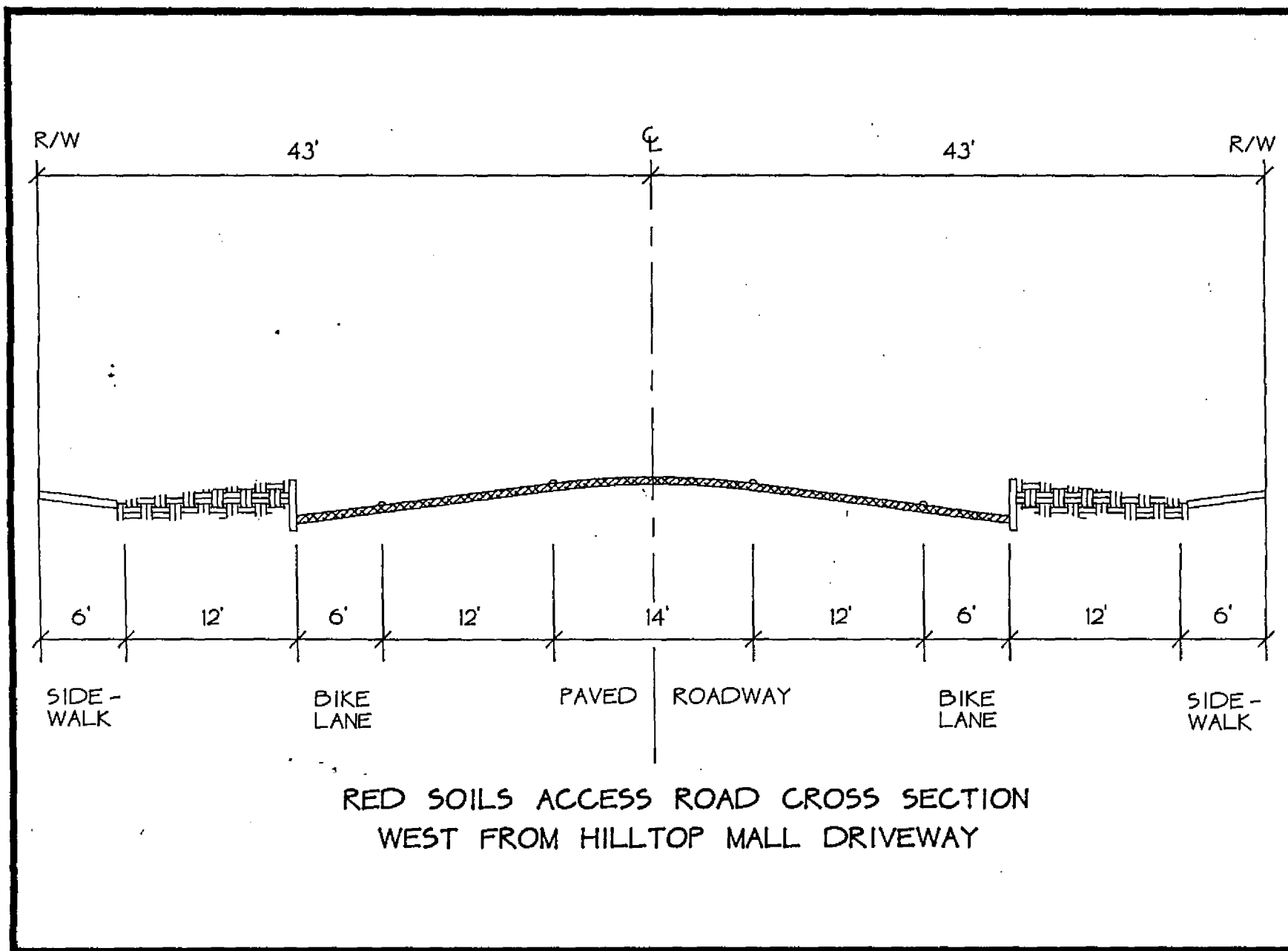

Oliver I. Norville

OIN:dlt

cc: Mr. John G. Block ✓
Mr. Scott Parker
Ms. Marilyn Harbur



LEE ENGINEERING, INC.



LEE ENGINEERING, INC.

Jewin

REVISED AGENDA

OREGON CITY URBAN RENEWAL AGENCY

There will be a meeting of the Oregon City Urban Renewal Agency on Thursday, July 5 1990 at 7:30 p.m. in the Commission Chambers, City Hall, 320 Warner-Milne Road, Oregon City, Oregon. This meeting follows a Civic Improvement Trust meeting to be held at 6:30 p.m.

A G E N D A

1. Approval of June 27, 1990 minutes.

REPORTS

2. Fiscal Year 1990-91 Budget.
3. Professional Services Agreement with Lee Engineering, Inc.
4. Water Fund Loan - Clairmont Club Debt Service
5. Support for County Office Consolidation

CORRESPONDENCE

6. Letter to Board of County Commissioners

CITY OF OREGON CITY

Incorporated 1844

Dated

July 5, 1990

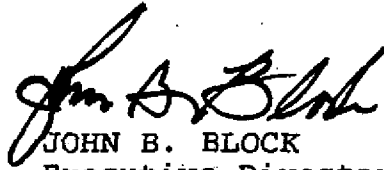
REPORT

Page 1 of 1

Subject: Support for County Office Consolidation Report No. 90-25

In view of on-going negotiations to acquire Red Soils and the preparation of a Plan Amendment for the Hilltop Urban Renewal area and the creation of a new Urban Renewal District for the Downtown area, it is timely for the Urban Renewal Agency to include support for County office consolidation in both plans.

It is recommended for the Downtown plan that the Agency include land assembly and parking improvements for the County office consolidation project, and for the Hilltop plan that the Agency include acquisition of additional Red Soils property if not needed for the County office consolidation project.


JOHN B. BLOCK
Executive Director

JGB:im

URBAN RENEWAL AGENCY



SECURITY PACIFIC BANK OREGON

July 2, 1990

John G. Block, Director
Development Services
City of Oregon City
320 Warner Milne Rd.
Oregon City, Oregon 97045

**RE: Impact of a One Year Deferral of the Onset of Tax Increment Receipts Upon
Ability to Effect Red Soils Phase I Property Acquisition in FY 1990-91**

Dear John:

You asked that I comment on the likely impact of a one year deferral in the commencement of receipt of tax increment cash flows from the Red Soils redevelopment area upon the Urban Renewal Agency's ability to borrow approximately \$600,000 for the acquisition of real property as discussed in my letter to you of May 17, 1990. I understand that the Red Soils redevelopment area is now anticipated to have \$13 - 15 million in incremental value over its base value commencing in fiscal year 91-91.

Assuming that none of the other facts relating to the Red Soils redevelopment area and the projects contemplated in my May 17th letter have materially changed since that time, Security Pacific believes that the proposed land acquisition financing remains feasible.

Sincerely,

Daniel Anderson
First Vice President

Jean

OREGON CITY URBAN RENEWAL AGENCY

There will be a meeting of the Oregon City Urban Renewal Agency on Thursday, July 5, 1990 at 7:30 p.m. in the Commission Chambers, City Hall, 320 Warner-Milne Road, Oregon City, Oregon. This meeting follows a Civic Improvement Trust meeting to be held at 6:30 p.m.

A G E N D A

1. Approval of June 27, 1990 minutes.

REPORTS

2. Fiscal Year 1990-91 Budget.
3. Professional Services Agreement with Lee Engineering, Inc.
4. Water Fund Loan - Clairmont Club Debt Service

CORRESPONDENCE

5. Letter to Board of County Commissioners

OREGON CITY URBAN RENEWAL AGENCY
JUNE 27, 1990

A meeting of the Oregon City Urban Renewal Agency was held on the above date in the City Commission Chambers at City Hall, 320 Warner-Milne Road, Oregon City.

Those Present:

David Spear, Chairman
Robert Light, Secretary
Dan Fowler, Board Member
Carol Powell, Board Member
Suzanne VanOrman, Board Member

John Block, Executive Director
Charles Leeson, Interim City Manager
Irmgard Marggi, Sec.
Two members of the press

The Chairman called the meeting to order at 7:05 with a request for approval of the June 6, 1990 minutes.

It was moved by Light, seconded by VanOrman, to approve the June 6th minutes.

Roll Call: Powell, Aye; Fowler, Aye; Light, Aye; VanOrman, Aye; Spear, Aye.

John Block presented report No. 90-20, Urban Renewal Agency Budget for Fiscal Year 1990-91 and pointed out that two projects are contemplated for this fiscal year.

1. Acquisition of 12 acres of Red Soils,
2. Construction of an access road to that property.

It will be necessary for the Urban Renewal Agency to borrow, from a commercial lender, approximately \$950,000 as financing for these two projects. Security Pacific Bank has provided a letter expressing their willingness to extend funds to the Urban Renewal Agency. Negotiations for the property acquisition are still underway with the County. Lee Engineering was requested to provide design, bid specifications, and construction management services for the project. The Robert Randall Company desires to move their project forward this fall necessitating the road project go forward at the same time.

There is, however, a new problem that was just communicated today. The Department of Revenue is ready to issue an opinion that will not allow the City to remove the devalued downtown district in this tax year. Fowler asked why now; is it law? Block responded the statute is silent on the timing of withdrawal affecting the current tax year. The Consultants thought if the property was removed prior to the Assessor equalizing the tax roll there would be no problem. Similar withdrawal has been done in Multnomah County and was allowed by that Assessor. The Clackamas County Assessor contacted the Department of Revenue and was advised that this cannot be done. The information was received today that if the downtown area is withdrawn it will not become effective until the next tax year. This means there will be no tax increment this coming year.

Spear asked what if the legislature approves a different source of funding for schools or otherwise changes the tax structure, what will this do. Block responded the banks are aware of this possibility. Powell commented that tax limitation would severely curtail; Light responded, but not immediately. Block remains confident that the Agency can borrow the \$950,000 and perhaps a little more. The tax increment for 1992 should be in the neighborhood of \$450,000 to \$500,000. No decision has been received from the County on the Red Soils purchase, but has a feeling the decision will be made soon.

VanOrman does not feel comfortable in approving this budget as it does not reflect what we have. Block suggested changing the current tax collection to 0 and taking \$172,800 out of contingency. Powell wondered about the Clairmont Club purchase. Block noted it was the recommendation of Security Pacific Bank to keep that loan in place for another year, so there may be a need for a new resolution for another year to roll the borrowing over and include the accrued interest in the amount.

Light wondered what we are accomplishing and whether we should be doing it. He does not feel comfortable in borrowing, since he is very conservative, large amounts of money without knowing where repayment is coming from. Block responded that Security Pacific is at risk in this borrowing. The bank feels there will be sufficient revenues in the future. Borrowing, of course, would not occur until after the removal of the downtown district. Fowler stated the suggestion of placing the revenue at 0 is the correct thing to do. Further comment was made that no debt is being authorized tonight.

VanOrman is still uncomfortable with making a decision and would like an opportunity to "digest" the new information; commenting further that maybe the two projects should be eliminated for this year. Block reiterated that over a four to five year period there will be sufficient revenue; however, at this time there will need to be borrowing. Powell agreed with VanOrman's comments and felt this budget is no longer a valid document. Fowler wondered if a second letter from Security Pacific Bank would provide "comfort" to the Agency members. VanOrman is not sure that the two projects should proceed and wants to be more reflective of all the changes. Fowler commented the Agency has had two severe blows that will affect the proposals.

Block explains he is a little more comfortable with the budget because we can change it in the future; and that no costs can be obligated unless approved by the Agency. In order to move the program forward the access road needs to be in place to allow Randall's project to commence. The public hearing was opened at this time. There being no one present that desired to speak, the public hearing was closed.

Block suggested setting the budget hearing over to July 5 and request a new letter from Security Pacific Bank on their continued commitment to fund the two projects.

It was moved by VanOrman, seconded by Light, to set-over to the next meeting on July 5.

Roll Call: VanOrman, Aye; Light, Aye; Fowler, Aye; Powell, Aye; Spear, Aye.

Professional Services Agreement - Lee Engineering - Block provided copies of the

Professional Services Agreement - Lee Engineering - Block provided copies of the proposed agreement to all members of the Agency. He explained the purpose was for the design engineering to construct the Red Soils Access Road from Molalla Avenue to Red Soils, prepare bid documents, award the contract and provide construction management and inspection services. Other services provided would be on a prior approval basis. On discussion it was noted everything is o.k., except when payments are to be made. Mr. Lee commented that the issue of payments was not totally unexpected; however, the total amount he is able to extend to the City would be \$20,000. The total cost would be approximately \$50,000 to \$70,000 and he would expect to earn interest on the outstanding amount. The options available to the Agency are:

1. Hold over to next week
2. Take Lee Engineering up on the offer to advance \$20,000
3. Ask Security Pacific Bank for financing
4. Defer the project.

Mr. Lee will not be available to attend the July 5th meeting; however, echoes the options listed above. If the Agency desired to go forward, Lee is willing to commit to 18 months; however, he does expect to receive interest. The Chair thanked Mr. Lee for being present at this meeting.

Fowler asked if the contract can be approved up to \$20,000; Lee's response was it will be close but can stay within \$20,000.

It was moved by Powell, seconded by Light, to set over to the next meeting for further information.

Roll Call: Powell, Aye; Fowler, Aye; Light, Aye; VanOrman, Aye; Spear, Aye.

It was clarified that the engineering design would include everything to Kaen Road; however, only the portion across the Randall property is proposed to be built at this time. Fowler expresses appreciation to Block for the latest information on Urban Renewal. The meeting was adjourned to Executive Session per ORS 163.990.

Respectfully submitted,

ROBERT M. LIGHT, Secretary

CITY OF OREGON CITY

Incorporated 1844

Dated

July 5, 1990

REPORT

Page 1 of 1

Subject: Fiscal Year 1990-91 Budget

Report No. 90-21

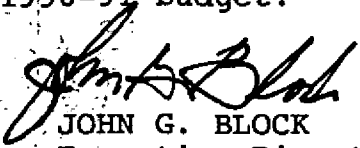
On the July 5, 1990 Urban Renewal Agency agenda is a continuation of the discussion on the adoption of the fiscal year 1990-91 budget. The Agency held a public hearing on the budget adoption on June 27, 1990. No one appeared to provide testimony and the Agency continued the discussion of adoption to the July 5th meeting.

At issue had been the opinion of the Department of Revenue and the Clackamas County Assessor that the removal of the downtown portion of the Renewal District will not affect the current tax year. This could mean that even though the downtown area would be removed this tax year the Agency would lose \$172,800 in anticipated tax increment revenue this year.

Since the loss of revenue may have an effect on borrowing funds for the two planned projects, the Agency wanted to receive an opinion from Security Pacific Bank prior to adoption of the budget. Because of the short time frame involved, Security Pacific will not be able to get a letter to the Agency until July 5.

Anticipating that the letter will be positive, the proposed budget has been modified as discussed at the June 27 meeting.

If the letter is positive, it is recommended the Agency approve a motion adopting the fiscal year 1990-91 budget.


JOHN G. BLOCK
Executive Director

JGB/im

attach.

cc Charles Leeson, Interim City Manger
J. Scott Harper, Finance Officer

URBAN RENEWAL AGENCY

CITY OF OREGON CITY
BUDGET DOCUMENT
1990-1991 FISCAL YEAR

FUND: OREGON CITY URBAN RENEWAL AGENCY
DEPARTMENT:

	1987-88	1988-89	X	1989-1990	X	1990-1991			
REQUIREMENTS	ACTUAL	ACTUAL	X	BUDGET	PROJECTED	X	PROPOSED	REVISED	ADOPTED
Positions			X			X			
Personal Services			X	\$7,620	\$7,620	X	7,620	7,620	7,620
Materials & Services			X	16,490	4,000	X	145,000	25,000	25,000
Capital Outlay			X	13,000		X	2,881,000	950,000	950,000
Debt Service			X	22,180		X	316,000	342,554	342,554
Contingency			X	380		X	1,600	2,026,046	1,853,246
Transfers			X	100		X	100	100	100
TOTAL	\$0	\$0	X	\$59,770	\$11,620	X	\$3,351,320	\$3,351,320	\$3,178,520

FUNDING SOURCES			X		X				
Current tax collection			X	\$30,000	\$24,274	X	\$140,000	\$172,800	\$0
Prior tax collection			X		900	X	1,500	1,500	1,500
Investment income			X	2,000	2,080	X	820	1,800	1,800
Debt (bonds, banks, warrents)			X			X	3,200,000	3,131,955	3,131,955
Beginning Cash Balance			X	27,770	27,631	X	9,000	43,265	43,265
TOTAL SOURCES	0	0	X	59,770	54,885	X	3,351,320	3,351,320	3,178,520
DEFICIT (CARRYOVER)			X			X			
OF RESOURCES	0	0	X	0	(43,265)	X	0	0	0
TOTAL	\$0	\$0	X	\$59,770	\$11,620	X	\$3,351,320	\$3,351,320	\$3,178,520

The Urban Renewal Agency is legally separate from all other City of Oregon City funds. The Agency's board is comprised of the same membership as the Oregon City Commission, yet this is not a City fund. The budget document for the Agency will have a summary of the impact on each taxing district effected by the apportionment of taxes to the Agency. The budget document will also include a description of each project, the method of financing the projects, a tax increment/cash flow projection for the Agency and a proposed time table.

The revision of the plan now proposed is to purchase 15 acres, build just the access road and fund the URA through bank loans secured by the future tax increment and warrents in an LID secured by the benefited property. The interfund loan from the Water Fund would be paid off, including interest to date and then renewed.

Project List:	PROPOSED	REVISED
Red Soils Acquisition	1,750,000	600,000
Red Soils Access and Infrastructure	675,000	350,000
Beavercreek/Molalla Realignment Local Match	300,000	0
	2,725,000	950,000

CITY OF OREGON CITY

Incorporated 1844

Dated

July 5, 1990

REPORT

Page 1 of 1

Subject: Professional Services Agreement
with Lee Engineering, Inc.

Report No. 90-22

On the July 5, 1990 Urban Renewal Agency agenda is a continuation of the discussion on the approval of the Engineering Services Agreement with Lee Engineering. The agreement provides for the surveying, engineering design, bidding and construction management services for the Red Soils access road project.

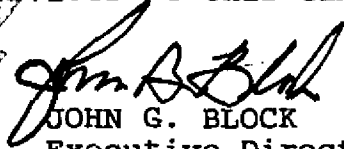
Because of the announcement by the Robert Randall Company to build a \$5 Million business park on the property, the access road project had to go forward more quickly than anticipated.

At issue had been the ability of the Agency to pay for the services, given the anticipated loss of income due to the devaluation of downtown. While Lee Engineering offered to carry some of the costs as a receivable on their books, the Agency still felt uncomfortable approving the agreement until more information was available.

In reviewing this with the City's Finance Officer, the Agency has approximately \$47,600 in cash carry forward for next year. If the Agency subtracts the personal services and materials and services, and the estimated costs to do the Plan Amendment for Downtown, out of that amount, that leaves approximately \$27,780 available for engineering services. Please refer to attached work sheet.

Since Lee estimated approximately \$25,000 for the preliminary engineering for the access road project, one option might be to authorize only the preliminary engineering at this time, and authorize the balance of the services with the borrowing for the construction of the access road project.

If the Agency is comfortable with this approach it is recommended the Agency approve the personal services agreement with Lee Engineering and authorize only the preliminary engineering services at this time.


JOHN G. BLOCK
Executive Director

JGB/im

attach.
cc

Charles Leeson, Interim City Manger
J. Scott Harper, Finance Officer
Duane Lee, Lee Engineering

URBAN RENEWAL AGENCY

OREGON CITY URBAN RENEWAL AGENCY
Revised Budget for Fiscal Year 1990-91

Funds Available Without Borrowing

July 1, 1990	Cash Carryover	\$44,300
	Revenues - Prior Year's Tax	1,500
	Interest	<u>1,800</u>
	Funds Available	\$47,600

Expenditures:

Administration Director	\$7,620	
Materials & Services	2,500	
Contract Services for realigning URA boundaries - Kupper & Assoc. \$15,000 less 7,500 Enhancement	7,500	
General Fund Administration	<u>2,200</u>	
		<u>\$19,820</u>
Available for Allocation		\$27,780

Footnote:

This is a work paper, not a document authorizing any expenditure or making any commitment of funds.

CITY OF OREGON CITY

Incorporated 1844

Dated

July 5, 1990

REPORT

Page 1 of 1

Subject: Water Fund Loan - Debt
Service Payment

Report No. 90-23

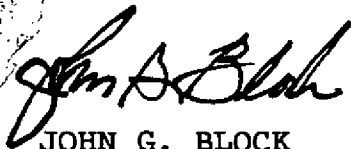
On the July 5, 1990 Urban Renewal Agency agenda is a recommendation to roll over the Water Fund Loan for one more year. This action was recommended by Security Pacific Bank of Oregon and is on the July 5th City Commission agenda for approval. Attached is the Commission Report on this action for Agency review.

As background, the Clairmont Club property was acquired May 26, 1989 as future right-of-way for the Beaver Creek Road realignment project. Since this project was planned to tie into the Red Soils Access road project, and because there were insufficient Street Funds for the acquisition, the Urban Renewal Agency agreed to fund the acquisition.

As a parallel action, the City Commission agreed to loan the Urban Renewal Agency money from the City's Water Fund for the acquisition. It was understood that Urban Renewal would not be able to pay off the loan initially, but could make interest payments until the principal amount could be paid off.

State law requires that borrowing from one fund to another fund be only for one fiscal year; therefore, the rolling over of the loan. This means that the first loan with accrued interest will be paid off and a new loan approved.

The City Commission action is to approve the new loan, so the Urban Renewal Agency action will need to authorize pay off of the first loan with accrued interest and accept the new loan from the Water Fund. This action was anticipated and included in the Fiscal Year 1990-91 budget in the Debt Service line item.



JOHN G. BLOCK
Executive Director

JGB/im

attach.
cc

Charles Leeson, Interim City Manger
J. Scott Harper, Finance Officer

URBAN RENEWAL AGENCY



CITY OF OREGON CITY

INCORPORATED 1844

FOR AGENDA

DATED

July 5, 1990

Page 1 of 1

COMMISSION REPORT

TO THE HONORABLE MAYOR AND COMMISSIONERS

Subject: Water Fund Transfer - Clairmont
Club Debt Service
Resolution No. 90-43

Report No. 90-176

On the July 5, 1990 City Commission agenda is a Resolution that loans the City's Urban Renewal Agency \$319,169.27 (\$285,456.323 original purchase price plus \$33,712.95 in interest), to pay the debt service on the acquisition of the Clairmont Club property.

As the Commission recalls, the City through its Water Fund, loaned the Urban Renewal Agency \$285,456.32 for the acquisition of the Clairmont Club property in May 1989. The property was acquired as future right-of-way for the Beaver Creek Road realignment project. From a practical point of view the Urban Renewal Agency is not able to repay the loan at this time and will need to borrow additional funds to pay the debt service on the loan.

Dan Anderson, with Security Pacific Bank of Oregon, recommended the City roll over the loan into another year. Resolution No. 90-43 rolls the Water Fund loan, with accrued interest, over another year. This new loan will be used to pay off the original loan to the Water Fund.

Since no other options are available at this time, it is recommended the City Commission adopt Resolution No. 90-43 rolling over the Water Fund loan.

CHARLES LEESON
Interim City Manager

JGB:im

attach.

cc: Development Services Director
J. Scott Harper, Finance Officer

RESOLUTION NO. 90-43

A RESOLUTION AUTHORIZING THE TRANSFER OF FUNDS TO THE URBAN RENEWAL AGENCY FUND FROM THE WATER FUND FOR THE DEBT SERVICE OF THE ACQUISITION OF THE CLAIRMONT CLUB PROPERTY.

WHEREAS, the Commission has authorized the acquisition of the Clairmont Club property for urban renewal purposes; and

WHEREAS, there are insufficient funds in the Urban Renewal Agency fund to cover the Debt Service of acquisition, and

WHEREAS, ORS 295.060 (i) authorizes loans from one fund to another.

NOW, THEREFORE, BE IT RESOLVED by the City Commission of Oregon City, that \$319,169.27 shall be transferred from the Water Fund to the Urban Renewal Fund in the form of a loan for Debt Service of the prior acquisition of the Clairmont Club property to be paid on July 31, 1990,

BE IT FURTHER RESOLVED that the money so loaned shall be returned to the Water Fund by the end of the ensuing year; and

BE IT FURTHER RESOLVED such loan shall be at 10% annual interest; and

BE IT FURTHER RESOLVED that any part of the loan which is outstanding at the end of this year shall be budgeted as a requirement of the ensuing year.

Adopted, signed and approved this 5th day of July, 1990.

Mayor-Commissioner

Commissioner

Commissioner

Commissioner

Commissioner

Comprising the City Commission
of Oregon City, Oregon

RESOLUTION NO. 90-43

CITY OF OREGON CITY

Incorporated 1844

Dated

July 5, 1990

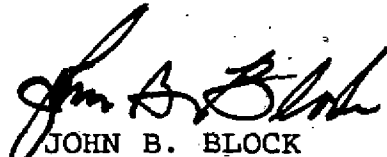
REPORT

Page 1 of 1

Subject: Support for County Office Consolidation Report No. 90-25

In view of on-going negotiations to acquire Red Soils and the preparation of a Plan Amendment for the Hilltop Urban Renewal area and the creation of a new Urban Renewal District for the Downtown area, it is timely for the Urban Renewal Agency to include support for County office consolidation in both plans.

It is recommended for the Downtown plan that the Agency include land assembly and parking improvements for the County office consolidation project, and for the Hilltop plan that the Agency include acquisition of additional Red Soils property if not needed for the County office consolidation project.


JOHN B. BLOCK
Executive Director

JGB:im

URBAN RENEWAL AGENCY



SECURITY PACIFIC BANK OREGON

July 2, 1990

John G. Block, Director
Development Services
City of Oregon City
320 Warner Milne Rd.
Oregon City, Oregon 97045

**RE: Impact of a One Year Deferral of the Onset of Tax Increment Receipts Upon
Ability to Effect Red Soils Phase I Property Acquisition in FY 1990-91**

Dear John:

You asked that I comment on the likely impact of a one year deferral in the commencement of receipt of tax increment cash flows from the Red Soils redevelopment area upon the Urban Renewal Agency's ability to borrow approximately \$600,000 for the acquisition of real property as discussed in my letter to you of May 17, 1990. I understand that the Red Soils redevelopment area is now anticipated to have \$13 - 15 million in incremental value over its base value commencing in fiscal year 91-91.

Assuming that none of the other facts relating to the Red Soils redevelopment area and the projects contemplated in my May 17th letter have materially changed since that time, Security Pacific believes that the proposed land acquisition financing remains feasible.

Sincerely,

Daniel Anderson
First Vice President

Jean

OREGON CITY URBAN RENEWAL AGENCY

There will be a meeting of the Oregon City Urban Renewal Agency on Wednesday, June 27 1990 at 7:00 p.m. in the Commission Chambers, City Hall, 320 Warner-Milne Road, Oregon City, Oregon. This meeting precedes a special City Commission meeting.

A G E N D A

1. Approval of June 6, 1990 minutes.

PUBLIC HEARING

2. Fiscal Year 1990-91 Budget

REPORTS

3. Professional Services Agreement
Lee Engineering, Inc.
4. Adjourn to Executive Session
Negotiations

OREGON CITY URBAN RENEWAL AGENCY
June 6, 1990

A meeting of the Oregon City Urban Renewal Agency was held on the above date at 7:00 p.m. in the City Commission Chambers, City Hall, 320 Warner-Milne Road, Oregon City. This meeting preceded the regularly scheduled City Commission meeting.

Those present: David Spear, Chairman
 Robert Light, Secretary
 Dan Fowler
 Carol Powell
 Suzanne VanOrman

John Block, Executive Director
Charles Leeson, Interim City Manager
Irmgard Marggi, Sec.

Also present was one member of the press and a number of interested citizens.

The meeting was called to order by Chairman Spear at 7:05 p.m. with a request for approval of the May 21, 1990 minutes. It was moved by Light, seconded by VanOrman, to approve the minutes as mailed to members of the Agency.

Roll Call: Powell, abstain, Fowler, Aye; Light, Aye; VanOrman, Aye; Spear, Aye.

John Block presented Agency Report No. 90-19 that reported on a series of meetings that were conducted to approve the proposed 1990-91 budget requests. It is now necessary for the Agency to accept the proposed budget and schedule a public hearing for June 27, 1990. Block stated the Budget Committee Chairman requested more details be presented at the public hearing, and that will be accomplished.

It was moved by Fowler, seconded by VanOrman, to approve the proposed budget and schedule a public hearing for Wednesday, June 27, 1990, at 7:00 p.m.

Roll Call: VanOrman, Aye; Light, Aye; Fowler, Aye; Powell, Aye; Spear, Aye.

Block presented two letters that were written to Steve Salvey, Facilities Manager for Clackamas County with regard to Red Soils acquisition and County Consolidated Office Facility. Block noted the Board of County Commissioners has scheduled a workshop for June 7. Fowler, Spear, and Light requested notification of the workshop time; each being interested in attending. Spear commented the letters are valuable and very well presented.

Block reported that a different 12 acre acquisition area has been suggested by the County and should be discussed. Rob Barrentine, architect, has recommended the County retain 4.19 acres for the location of offices along Warner-Milne Road. This presents a concern regarding the issue of the access road. Considerable discussion ensued about property lines, they should be straighter. The Urban Renewal Agency should make improvements as nice as possible; make tenants look as good as possible to create a great first impression for prospective tenants. It is desirable to have purchase options in place soon so that any prospective tenants will have to option of to decide where they wish to be located. Fowler commented his desire is to service potential tenants the best way possible at the least expense. VanOrman noted the need to protect the Agency's interest as well as integrity on the layout.

Discussion then turned to the 12 acre Robert Randall property that is expected to be used in its entirety for their business park development. Randall desires to go forward immediately with the project. Block commented the access road needs to be constructed as far as Kaen Road. It may be necessary for the County to assist in the construction costs depending on which parcels they intend to keep for their consolidation. The County's maximum need is 8 acres, according to Barrentine. The desire is for the consolidation property to face Warner-Milne Road and to be on the East side of Kaen Road.

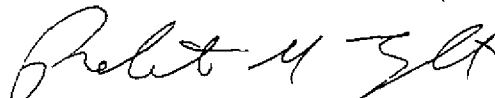
The second letter to Steve Salvey, concerning County Consolidated Office Facility, was presented and discussed. The matter of providing additional parking in downtown is of concern. The City is willing to provide assistance to the County for a parking lot if an adequate site can be found by December 31; if not, the County is still responsible for providing additional parking.

Powell commented "turn up the heat on the burner, if possible". VanOrman agreed. It was commented Commissioner Hammerstead has indicated willingness to go forward. Leeson stated he has received considerable positive telephone calls, especially today, about Red Soils. Citizens seem to understand the Agency's direction and are displaying a positive feeling. Michael Dale was praised for the competent articles he has written. These articles have been of tremendous assistance and well written.

Powell suggests a work session with the County; Fowler agrees with a "sit-down" session to clear the air for Hammerstead and bring her up to speed; Spear commented such a meeting could possibly mend some fences with the County. Block commented he is being accepted more like an equal now, than during the previous 2 1/2 years.

There being no further business the meeting adjourned at 7:35 p.m.

Respectfully submitted,


ROBERT M. LIGHT, Secretary

CITY OF OREGON CITY

Incorporated 1844

Dated

June 27, 1990

REPORT

Page 1 of 1

Subject: Urban Renewal Agency Budget for
Fiscal Year 1990-91
Public Hearing

Report No. 90-20

On May 21, 1990, the Urban Renewal Budget Committee approved an Urban Renewal Budget for fiscal year 1990-91. At its June 6 meeting, the Urban Renewal Agency accepted the budget with the public hearing scheduled for Wednesday, June 27, 1990 at 7:00 p.m.

First Notice of Public Hearing was published on Tuesday, June 12, 1990 with Second Notice published on Tuesday, June 19, 1990. Listed within those publications were resources and requirements needed for the different funds.

If there is no opposition to the Urban Renewal Agency budget, it is recommended that the budget as submitted by the Urban Renewal Budget Committee be adopted.


JOHN G. BLOCK
Executive Director

JGB/im

attach.

URBAN RENEWAL AGENCY

CITY OF OREGON CITY
BUDGET DOCUMENT
1990-1991 FISCAL YEAR

FUND: OREGON CITY URBAN RENEWAL AGENCY
DEPARTMENT:

	1987-88	1988-89	X	1989-1990	X	1990-1991			
REQUIREMENTS	ACTUAL	ACTUAL	X	BUDGET	PROJECTED	X	PROPOSED	REVISED	ADOPTED
Positions			X			X			
Personal Services			X	\$7,620	\$7,620	X	7,620	7,620	
Materials & Services			X	16,490	4,000	X	145,000	25,000	
Capital Outlay			X	13,000		X	2,881,000	950,000	
Debt Service			X	22,180		X	316,000	342,554	
Contingency			X	380		X	1,600	2,026,046	
Transfers			X	100		X	100	100	
TOTAL	\$0	\$0	X	\$59,770	\$11,620	X	\$3,351,320	\$3,351,320	\$0

FUNDING SOURCES			X		X				
Current tax collection			X	\$30,000	\$24,274	X	\$140,000	\$172,800	
Prior tax collection			X		900	X	1,500	1,500	
Investment income			X	2,000	2,080	X	820	1,800	
Debt (bonds, banks, warrents)			X			X	3,200,000	3,131,955	
Beginning Cash Balance			X	27,770	27,631	X	9,000	43,265	
TOTAL SOURCES	0	0	X	59,770	54,885	X	3,351,320	44,765	0
DEFICIT (CARRYOVER)			X			X			
OF RESOURCES	0	0	X	0	(43,265)	X	0	3,306,555	0
TOTAL	\$0	\$0	X	\$59,770	\$11,620	X	\$3,351,320	\$3,351,320	\$0

The Urban Renewal Agency is legally separate from all other City of Oregon City funds. The Agency's board is comprised of the same membership as the Oregon City Commission, yet this is not a City fund. The budget document for the Agency will have a summary of the impact on each taxing district effected by the apportionment of taxes to the Agency. The budget document will also include a description of each project, the method of financing the projects, a tax increment/cash flow projection for the Agency and a proposed time table.

The revision of the plan now proposed is to purchase 12 acres, build just the access road and fund the URA through bank loans secured by the future tax increment and warrents in an LID secured by the benefited property. The interfund loan from the Water Fund would be paid off, including interest to date and then renewed.

Project List:	PROPOSED	REVISED
Red Soils Acquisition	1,750,000	600,000
Red Soils Access and Infrastructure	675,000	350,000
Beavercreek/Molalla Realignment Local Match	300,000	0
	2,725,000	950,000

CITY OF OREGON CITY

Incorporated 1844

BUDGET MESSAGE Fiscal Year 1990-91

URBAN RENEWAL AGENCY/CITY COMMISSION MEMBERS, BUDGET COMMITTEE AND CITIZENS OF OREGON CITY.

The City of Oregon City established an Urban Renewal District in 1983 to implement a downtown improvement plan; encourage the retention of Clackamas County as a major employer in the City; and to maintain a healthy and diversified economic community for the supply of goods, services and employment opportunity.

The Renewal District was divided into two areas, a downtown area and a hilltop ("Red Soils") area. The primary objectives were to develop "Red Soils" into a campus industrial park and to consolidate County Offices from Red Soils and elsewhere to serve as an anchor for redevelopment downtown. The projects were to be financed by tax increment funds generated through added assessed valuation within the District.

In the first six years of the District, little added value has occurred and only \$27,000 in tax increment revenue has been received. Realizing that added value needed to occur to move the original plan forward, the Urban Renewal Agency approved a boundary amendment and a series of projects that would begin to fulfill the original objectives.

The Renewal Agency is budgeting two projects for fiscal year 1990-91:

1. Acquisition of 12 acres of Red Soils for a Business Park. This project will cost approximately \$600,000 and create three, 4-acre sites for industrial development. Three firms, representing over \$4.5 million in investment and 150 new jobs, have issued letters of intent to locate at Red Soils if the park is developed. This project requires the approval of the Board of County Commissioners to sell a portion of Red Soils to the Urban Renewal Agency, and a plan amendment to the District allowing the purchase to go forward.
2. Red Soils Access and Sewer, Water and Drainage Improvements. This project constructs an access road from Molalla Avenue to the eastern property line of Red Soils, adjacent and South of the Danielson Hilltop Mall. This project is estimated to cost approximately \$350,000. This project resolves the access constraints that have plagued Red Soils and opens up 12 additional acres owned by the Robert Randall Company for development.

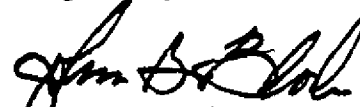
URBAN RENEWAL AGENCY

320 Warner Milne Rd. • Oregon City, OR 97045 • (503) 657-0891

The project cost for both projects is approximately \$950,000. Funding for the projects will be either through a borrowing agreement with a commercial lender or through bond issuance.

Administration of the Urban Renewal program is planned to continue being provided in 1990-91 by the City's Development Services Director at \$500 per month. This is the least costly method in administering the program.

Respectfully submitted,



JOHN G. BLOCK
Executive Director

JGB/im

CITY OF OREGON CITY

Incorporated 1844

Dated

June 27, 1990

REPORT

Page 1 of 1

Subject: Urban Renewal Agency Budget for
Fiscal Year 1990-91
Public Hearing

Report No. 90-20

On May 21, 1990, the Urban Renewal Budget Committee approved an Urban Renewal Budget for fiscal year 1990-91. At its June 6 meeting, the Urban Renewal Agency accepted the budget with the public hearing scheduled for Wednesday, June 27, 1990 at 7:00 p.m.

First Notice of Public Hearing was published on Tuesday, June 12, 1990 with Second Notice published on Tuesday, June 19, 1990. Listed within those publications were resources and requirements needed for the different funds.

If there is no opposition to the Urban Renewal Agency budget, it is recommended that the budget as submitted by the Urban Renewal Budget Committee be adopted.


JOHN G. BLOCK
Executive Director

JGB/im

attach.

URBAN RENEWAL AGENCY

CITY OF OREGON CITY
BUDGET DOCUMENT
1990-1991 FISCAL YEAR

FUND: OREGON CITY URBAN RENEWAL AGENCY
DEPARTMENT:

	1987-88	1988-89	X	1989-1990	X	1990-1991			
REQUIREMENTS	ACTUAL	ACTUAL	X	BUDGET	PROJECTED	X	PROPOSED	REVISED	ADOPTED
Positions			X			X			
Personal Services			X	\$7,620	\$7,620	X	7,620	7,620	
Materials & Services			X	16,490	4,000	X	145,000	25,000	
Capital Outlay			X	13,000		X	2,881,000	950,000	
Debt Service			X	22,180		X	316,000	342,554	
Contingency			X	380		X	1,600	~~2,026,046~~	172,800 to
Transfers			X	100		X	100	100	
TOTAL	\$0	\$0	X	\$59,770	\$11,620	X	\$3,351,320	\$3,351,320	\$0

FUNDING SOURCES			X		X				
Current tax collection			X	\$30,000	\$24,274	X	\$140,000	\$172,800	
Prior tax collection			X		900	X	1,500	1,500	
Investment income			X	2,000	2,080	X	820	1,800	
Debt (bonds, banks, warrents)			X			X	3,200,000	3,131,955	
Beginning Cash Balance			X	27,770	27,631	X	9,000	43,265	
TOTAL SOURCES	0	0	X	59,770	54,885	X	3,351,320	44,765	0
DEFICIT (CARRYOVER)			X			X			
OF RESOURCES	0	0	X	0	(43,265)	X	0	3,306,555	0
TOTAL	\$0	\$0	X	\$59,770	\$11,620	X	\$3,351,320	\$3,351,320	\$0

The Urban Renewal Agency is legally separate from all other City of Oregon City funds. The Agency's board is comprised of the same membership as the Oregon City Commission, yet this is not a City fund. The budget document for the Agency will have a summary of the impact on each taxing district effected by the apportionment of taxes to the Agency. The budget document will also include a description of each project, the method of financing the projects, a tax increment/cash flow projection for the Agency and a proposed time table.

The revision of the plan now proposed is to purchase 12 acres, build just the access road and fund the URA through bank loans secured by the future tax increment and warrents in an LID secured by the benefited property. The interfund loan from the Water Fund would be paid off, including interest to date and then renewed.

Project List:	PROPOSED	REVISED
Red Soils Acquisition	1,750,000	600,000
Red Soils Access and Infrastructure	675,000	350,000
Beavercreek/Molalla Realignment Local Match	300,000	0
	2,725,000	950,000

CITY OF OREGON CITY

Incorporated 1844

Dated

July 5, 1990

REPORT

Page 1 of 1

Subject: Fiscal Year 1990-91 Budget

Report No. 90-21

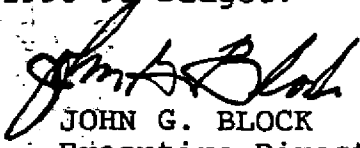
On the July 5, 1990 Urban Renewal Agency agenda is a continuation of the discussion on the adoption of the fiscal year 1990-91 budget. The Agency held a public hearing on the budget adoption on June 27, 1990. No one appeared to provide testimony and the Agency continued the discussion of adoption to the July 5th meeting.

At issue had been the opinion of the Department of Revenue and the Clackamas County Assessor that the removal of the downtown portion of the Renewal District will not affect the current tax year. This could mean that even though the downtown area would be removed this tax year the Agency would lose \$172,800 in anticipated tax increment revenue this year.

Since the loss of revenue may have an effect on borrowing funds for the two planned projects, the Agency wanted to receive an opinion from Security Pacific Bank prior to adoption of the budget. Because of the short time frame involved, Security Pacific will not be able to get a letter to the Agency until July 5.

Anticipating that the letter will be positive, the proposed budget has been modified as discussed at the June 27 meeting.

If the letter is positive, it is recommended the Agency approve a motion adopting the fiscal year 1990-91 budget.


JOHN G. BLOCK
Executive Director

JGB/im

attach.

cc Charles Leeson, Interim City Manger
J. Scott Harper, Finance Officer

URBAN RENEWAL AGENCY

CITY OF OREGON CITY
BUDGET DOCUMENT
1990-1991 FISCAL YEAR

FUND: OREGON CITY URBAN RENEWAL AGENCY
DEPARTMENT:

	1987-88	1988-89	X	1989-1990	X	1990-1991			
REQUIREMENTS	ACTUAL	ACTUAL	X	BUDGET	PROJECTED	X	PROPOSED	REVISED	ADOPTED
Positions			X			X			
Personal Services			X	\$7,620	\$7,620	X	7,620	7,620	7,620
Materials & Services			X	16,490	4,000	X	145,000	25,000	25,000
Capital Outlay			X	13,000		X	2,881,000	950,000	950,000
Debt Service			X	22,180		X	316,000	342,554	342,554
Contingency			X	380		X	1,600	2,026,046	1,853,246
Transfers			X	100		X	100	100	100
TOTAL	\$0	\$0	X	\$59,770	\$11,620	X	\$3,351,320	\$3,351,320	\$3,178,520

FUNDING SOURCES			X		X				
Current tax collection			X	\$30,000	\$24,274	X	\$140,000	\$172,800	\$0
Prior tax collection			X		900	X	1,500	1,500	1,500
Investment income			X	2,000	2,080	X	820	1,800	1,800
Debt (bonds, banks, warrents)			X			X	3,200,000	3,131,955	3,131,955
Beginning Cash Balance			X	27,770	27,631	X	9,000	43,265	43,265
TOTAL SOURCES	0	0	X	59,770	54,885	X	3,351,320	3,351,320	3,178,520
DEFICIT (CARRYOVER) OF RESOURCES	0	0	X	0	(43,265)	X	0	0	0
TOTAL	\$0	\$0	X	\$59,770	\$11,620	X	\$3,351,320	\$3,351,320	\$3,178,520

The Urban Renewal Agency is legally separate from all other City of Oregon City funds. The Agency's board is comprised of the same membership as the Oregon City Commission, yet this is not a City fund. The budget document for the Agency will have a summary of the impact on each taxing district effected by the apportionment of taxes to the Agency. The budget document will also include a description of each project, the method of financing the projects, a tax increment/cash flow projection for the Agency and a proposed time table.

The revision of the plan now proposed is to purchase 15 acres, build just the access road and fund the URA through bank loans secured by the future tax increment and warrents in an LID secured by the benefited property. The interfund loan from the Water Fund would be paid off, including interest to date and then renewed.

Project List:	PROPOSED	REVISED
Red Soils Acquisition	1,750,000	600,000
Red Soils Access and Infrastructure	675,000	350,000
Beavercreek/Molalla Realignment Local Match	300,000	0
	2,725,000	950,000

CITY OF OREGON CITY

Incorporated 1844

Dated

June 6, 1990

REPORT

Page 1 of 1

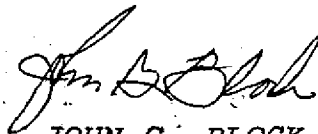
Subject: Acceptance of 1990-91
Urban Renewal Budget and Scheduling of
Public Hearing

Report No. 90-19

On May 21, 1990, the Urban Renewal Budget Committee concluded a series of meetings that were conducted to approve the proposed 1990-91 budget requests. Attached is a copy of the proposed budget for Agency Review.

It is necessary that the Urban Renewal Agency accept the 1990-91 budget that was approved by the Budget Committee and schedule a public hearing for Wednesday, June 27, 1990 at 7:00 p.m.

Following Agency acceptance of the proposed 1990-91 budget, First Notice of Public Hearing will be published on Tuesday, June 12 with Second Notice on Tuesday, June 19, 1990.



JOHN G. BLOCK
Executive Director

JGB:im

attach.

cc - Budget Committee Members
J. Scott Harper, Finance Officer

URBAN RENEWAL AGENCY

CITY OF OREGON CITY
BUDGET DOCUMENT
1990-1991 FISCAL YEAR

FUND: OREGON CITY URBAN RENEWAL AGENCY
DEPARTMENT:

	1987-88	1988-89	X	1989-1990	X	1990-1991			
REQUIREMENTS	ACTUAL	ACTUAL	X	BUDGET	PROJECTED	X	PROPOSED	REVISED	ADOPTED
Positions			X			X			
Personal Services			X	\$7,620	\$7,620	X	7,620	7,620	
Materials & Services			X	16,490	4,000	X	145,000	25,000	
Capital Outlay			X	13,000		X	2,881,000	950,000	
Debt Service			X	22,180		X	316,000	342,554	
Contingency			X	380		X	1,600	2,026,046	
Transfers			X	100		X	100	100	
TOTAL	\$0	\$0	X	\$59,770	\$11,620	X	\$3,351,320	\$3,351,320	\$0

FUNDING SOURCES			X		X				
Current tax collection			X	\$30,000	\$24,274	X	\$140,000	\$172,800	
Prior tax collection			X		900	X	1,500	1,500	
Investment income			X	2,000	2,080	X	820	1,800	
Debt (bonds, banks, warrents)			X			X	3,200,000	3,131,955	
Beginning Cash Balance			X	27,770	27,631	X	9,000	43,265	
TOTAL SOURCES	0	0	X	59,770	54,885	X	3,351,320	44,765	0
DEFICIT (CARRYOVER) OF RESOURCES	0	0	X	0	(43,265)	X	0	3,306,555	0
TOTAL	\$0	\$0	X	\$59,770	\$11,620	X	\$3,351,320	\$3,351,320	\$0

The Urban Renewal Agency is legally separate from all other City of Oregon City funds. The Agency's board is comprised of the same membership as the Oregon City Commission, yet this is not a City fund. The budget document for the Agency will have a summary of the impact on each taxing district effected by the apportionment of taxes to the Agency. The budget document will also include a description of each project, the method of financing the projects, a tax increment/cash flow projection for the Agency and a proposed time table.

The revision of the plan now proposed is to purchase 15 acres, build just the access road and fund the URA through bank loans secured by the future tax increment and warrents in an LID secured by the benefited property. The interfund loan from the Water Fund would be paid off, including interest to date and then renewed.

Project List:	PROPOSED	REVISED
Red Soils Acquisition	1,750,000	600,000
Red Soils Access and Infrastructure	675,000	350,000
Beavercreek/Molalla Realignment Local Match	300,000	0
	2,725,000	950,000

OREGON CITY URBAN RENEWAL AGENCY
BUDGET COMMITTEE

There will be a meeting of the Oregon City Urban Renewal Budget Committee on Monday, May 21, 1990 at approximately 8:00 p.m., in the Commission Chambers, City Hall, 320 Warner-Milne Road, Oregon City, Oregon.

A G E N D A

1. Approval of February 5, 1990 minutes.
2. Review of Budget Schedule.
3. Review of 1990-91 Tax Increment Projection.
4. Review of 1990-91 Projects.
5. Review of letter from Daniel Anderson, Security Pacific Bank of Oregon.
6. Review of Fiscal Year 1990-91 Proposed Budget (as revised).

OREGON CITY URBAN RENEWAL AGENCY

There will be a special meeting of the Oregon City Urban Renewal Agency on Monday, May 21, 1990 at 7:00 p.m. Following the meeting there will be an Urban Renewal Agency Budget Committee meeting, beginning at approximately 8:00 p.m., in the Commission Chambers, City Hall, 320 Warner-Milne Road, Oregon City, Oregon.

A G E N D A

1. Approval of May 9, 1990 joint meeting minutes.
2. Review of Security Pacific Bank of Oregon Capitalization Plan and Commitment of Funding.
3. Advisory Committee Recommendations on Downtown Devaluation:
 - a. Recommendation to Amend Existing Urban Renewal Plan.
 - b. Recommendation to Form New Urban Renewal District in Downtown Oregon City.
4. Adjourn into Executive Session to discuss negotiations on property acquisition.

OREGON CITY URBAN RENEWAL AGENCY

A combined meeting of the Urban Renewal Agency and the Urban Renewal Advisory Committee was held on May 9, 1990 in the Commission Chambers at City Hall.

Those present:

Dan Fowler	Ron Saunders
Robert Light	Kenneth Mitchell
Carol Powell	Pat Smith
Suzanne VanOrman	Pete Schnell
John Block, Exec. Dir.	Don Andersen
Irmgard Marggi, Sec.	Wayne Wood

The meeting was called to order by Fowler, at 8:35 p.m., after self-introductions by all individuals present. The new members of the Urban Renewal Advisory Committee were welcomed and thanked for their willingness to serve.

It was moved by VanOrman, seconded by Light, to approve the minutes of the March 21, 1990 meeting. UNANIMOUS APPROVAL.

Fowler commented that the By-Laws of the Oregon City Urban Renewal Board contain some technicalities that need to be amended.

Comment was made that Pete Schnell was a member of the original Urban Renewal Board.

The Executive Director, John Block, briefed the membership on Urban Renewal, noting the downtown area was devalued during the initial years of Urban Renewal by \$1 million and just recently devalued another \$7 million. Red Soils has not been able to aid as it has not developed. Block talks further of Urban Renewal history and is confident we are still on the "upswing" even after the devaluation of downtown. Some assistance has been provided to downtown by funding awnings, implementing the parking program, recently planting trees and purchasing benches, trash receptacles.

In 1983 the Urban Renewal Board had financial authority; however, the City Commission was uneasy that the Board had such power. Restructuring occurred and the members of the City Commission now comprise the Urban Renewal Agency. An enlarged boundary was created by the Urban Renewal Agency to get Urban Renewal back "on track" and going forward. The project is 7 years old at this time and was originally scheduled for 15 years.

Mitchell queried about beginning a new district for downtown. There is a need to expand the North End area in order for development to go south from the Enhancement and End of the Trail areas. There is also a need for revaluation in the North End area.

Block then referred to Table 6 - Project Values, Revenues, and Costs as attached to the February 26, 1990 Commission memorandum. Support for the proposed projects could be realized from both Berryhill and Red Soils Development. Red Soils could be developed into 8 light industrial parcels by construction of an access road. Robert Randall Company has proposed a business park just south of the Danielson's property. Andersen asked whether the access road would be developed by the Urban Renewal Agency. Block relates information from the Transportation Master Plan wherein this area is addressed.

Bill and Betty Savage arrived at 9:07 and were presented a quick overview of the meeting. The Hilltop is doing very well with the addition of \$5 million anticipated this year; however, with downtown devaluing \$7 million, there is a net loss of \$2 million.

During the question and answer period Mitchell commented about traffic on Beavercreek Road being choked during the afternoon, from Papandrea's to the signal at Beavercreek Road and Highway 213. Block commented that the realignment of Beavercreek Road/Warner-Milne/Warner-Parrott is approximately a \$10 million project for which federal aid must be sought.

Schnell understands the hilltop area is going well; however, he urges the Advisory Board take a hard look at the downtown and lagoon area and cautions that the "cancer" of downtown will hurt any redevelopment in the lagoon area. Tourists need an opportunity to see Main Street which is not very pretty. Viewing the back portions of buildings as they proceed through Oregon City on McLoughlin Boulevard or Railroad Avenue do not make a favorable impression. He further commented that Eureka, California has done a great job with their Urban Renewal. An increase in downtown values could be expected in Oregon City if Main Street were tidied up. Light appreciated Schnell's comments.

Andersen expressed concerns about the tax increment and what it does to other businesses and home owners; further commenting he is not against urban renewal. The response was that the State has provided laws that must be met on these types of projects; most citizen concerns are caused by a lack of understanding. Mitchell stated he believes it is cost effective to do urban renewal. Fowler commented there is a need to focus on what makes urban renewal work.

Block suggested dissolving the downtown district and starting over. There is a need to borrow \$2 million but borrowing has been set back at least a year. Because of the recent devaluation he feels good about the expertise on the present committee. In response to a question from Mitchell, a new district needs to be formed by October

so that it can be in place by January, 1991. The committee will also need to consider, in the very near future, a replacement for the Executive Director.

Fowler requested the Advisory Board look at removing the downtown district and separate it from the Hilltop; prepare proper notices and hearings and return to the Urban Renewal Agency as soon as possible in order to dissolve the first district and create a new district to become effective in January 1991.

On discussion, a time limit for the new district was tentatively set for an 8-year term; however, it could be lengthened in the future if evident that extension is necessary.

Light wondered if the proposed hotel development could be delayed until after this first of next year. It was stated that this was possible through the property purchase.

Block commented on the proposed budget schedule. Schnell requested a specific meeting day and time. Fowler instructed that any information forwarded to the Urban Renewal Agency be copied to the Advisory Board. Smith requested a new schedule, from Kupper, to provide information as to where urban renewal is going. Wood would like a study on the impact of the downtown devaluation. Smith has concerns about Red Soils acquisition. Block was authorized by the Urban Renewal Agency to begin negotiations on the acquisition with the County and provide a status report at the next Agency meeting. These are public meetings and all information is available to the public; only discussion in executive sessions is unavailable to the public and for print. Fowler commented that the Advisory Board; however, is welcome to attend any executive sessions held by the Urban Renewal Agency.

Decision was reached that the Advisory Board will meet on Wednesday, May 16 at 5:00 p.m., in Conference Room "C". Andersen asked about a communication policy and was advised that Block is the Executive Director; the Agency sets policy; policy direction is brought to the Advisory Board by the Executive Director, and recommendations will go back to the Agency through the Executive Director.

There being no further business, the meeting was adjourned at 10:00 p.m.

Respectfully submitted,

ROBERT M. LIGHT, Secretary

CITY OF OREGON CITY

Incorporated 1844

Dated

May 21, 1990

REPORT

Page 1 of 1

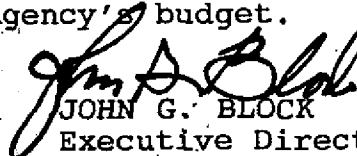
Subject: Urban Renewal Capitalization Plan
Recommendations

Report No. 90-16

Security Pacific Bank of Oregon was asked to provide a Capitalization Plan for the Agency and a preliminary commitment to fund the acquisition of Red Soils. Attached is a letter from Security Pacific providing their financial analysis and commitment to fund for Agency review.

Security Pacific recommends, as part of the capitalization plan, that the Agency maintain the Water Fund loan used to purchase the former Clairmont Club property, form a Local Improvement District to fund the Red Soils Access Road and Utility Improvements, and because of the devaluation downtown, sever the downtown area from the existing Red Soils redevelopment area.

The financial aspects of these recommendations are going to be discussed at a Budget Committee meeting after the Agency meeting. Policy direction will need to be provided on the roll over of the Water Fund loan, the alternate financing plan for the Red Soils Access Road project, and if the Agency is going to continue its efforts to purchase a portion of Red Soils. Based on this direction, the Budget Committee should be able to make a final recommendation on the Agency's budget.


JOHN G. BLOCK
Executive Director

JGB:im

attach.

URBAN RENEWAL AGENCY



SECURITY PACIFIC BANK OREGON

May 17, 1990

John G. Block, Director
Development Services
City of Oregon City
320 Warner Milne Rd.
Oregon City, OR 97045

RE: Fiscal Year 90-91 Capitalization Plan for Red Soils' Acquisition &
Access Projects

Dear John:

You asked that Security Pacific review the funding needs of certain projects currently planned by the Oregon City Urban Renewal Agency for FY 90-91 and to comment on the proposed plan of capitalization for these projects. This letter responds to that request.

Background & Assumptions

The projects to be funded are located in the Red Soils Renewal Area and consist of two principal initiatives:

- o The acquisition of a twelve acre parcel from Clackamas County at an estimated acquisition cost of \$600,000, (the Red Soils Phase 1 acquisition) and;
- o The construction of certain infrastructure and right of way improvements to provide improved access to the Red Soils parcel (Red Soils Phase 1 Access). This project has an estimated cost of \$350,000.

In describing the project requirements to be funded, you also informed me of the Urban Renewal Agency's recent acquisition of the Clairmont Club site and the funding of that acquisition with an interfund loan from the City water fund to the Agency. I understand that this loan must be renewed annually and that it bears simple interest at 9%.

Assumptions, cont'd:

Certain property owners abutting the proposed alignment of the Red Soils Phase 1 Access project have indicated a willingness to provide interim financing for this project.

The Renewal Agency currently projects that the Red Soils Renewal Area will receive tax increment revenues to be levied on \$5 million of incremental value in FY 90-91 and will receive additional tax increment revenues from an additional \$8 million in incremental value (total of \$13 million) in FY 91-92.

In making these projections of prospective tax increment receipts, the Agency assumes that it will be able to successfully amend or otherwise modify its existing Plan prior to October 15, 1990 to exclude downtown Oregon City from the Red Soils Area. Such an amendment is required to avoid burdening Red Soils activities with the impact of an anticipated \$7 million write down in assessed value in the downtown area to be effective with the October 15th equalization of the tax rolls.

Capitalization Plan

The proposed plan of project capitalization involves three funding sources and a necessary action item. Details follow:

- o Maintain the Water Fund Loan. The existing loan from the water fund to the Agency is a liability of the Agency. If this liability must be retired in FY 90-91, the Agency's ability to pursue the Red Soils initiatives outlined on page one of this letter would be severely hampered. Thus we counsel that the water fund loan be maintained and extended until such time as the Agency is able to service this obligation. We have not reviewed the water fund's liquidity needs and offer no opinion as to the impact of maintenance of the loan to Agency on those needs.
- o Borrow against prospective tax increment receipts to acquire the 12 acre Red Soils parcel from the County. Offer a security interest in the acquired parcel and / or or the Clairmont Club parcel as collateral. While this letter is not itself a financing commitment, we believe the structure proposed here is a "bankable" one and could be funded by Security Pacific.

- o Have the City form a local improvement district to encompass the site(s) of the Red Soils Phase 1 Access project. Construct the project using general obligation improvement warrants for interim financing. Sell the warrants to the abutting property owner who offered to provide interim financing. The warrants will be retired by a future Agency borrowing or by conventional Bancroft bond financing. To the extent feasible, the Agency should pay interim warrant interest amounts.

Thus the proposed funding resources and requirements are:

Sources of Funds:

Water fund loan	\$286,000
Tax increment borrowing	600,000
GO Improvement warrants	350,000

Total Sources	\$1,236,000

Uses of Funds:

Clairmont Club site	\$286,000
Phase 1 land acquisition	600,000
Phase 1 access project	350,000

Total Uses	\$1,236,000

The final element of the capitalization plan is an action item: severing the downtown area from the existing Red Soils Redevelopment area. Timely completion (i.e. prior to October 15, 1990) of this step via plan amendment or other appropriate process is critical to preserve the economic asset represented by the \$8 million incremental value amount available in the Red Soils area in FY 90-91. Without such an effort, it will be much more difficult for the Agency to fully fund its Phase 1 projects and / or offer the land price write down locational inducements required to catalyze appropriate initial private development efforts in the Red Soils project area.

letter to John Block
May 17, 1990 - page 4

Given the validity of the assumptions outlined at the beginning of this letter, I believe the capitalization plan proposed here is a prudent and feasible one which will permit the Agency to pursue this important economic development initiative in the coming fiscal year.

Respectfully,

A handwritten signature in dark ink, appearing to read "Daniel Anderson", followed by a long horizontal line extending to the right.

Daniel Anderson
First Vice President and Manager
Security Pacific Public Finance

CITY OF OREGON CITY

Incorporated 1844

Dated

May 21, 1990

REPORT

Page 1 of 1

Subject: Advisory Committee Recommendations
Downtown Devaluation

Report No. 90-17

Attached are the minutes of the May 16, 1990 Urban Renewal Advisory Committee meeting and memorandum from Charles Kupper on plan amendment options for downtown, for Agency review.

Following a presentation by the Consultant and lengthy discussion of alternatives to mitigate the impacts of the devaluation of downtown, the Advisory Committee recommended that the Agency proceed with a amendment to the existing Renewal District that would delete the downtown area from the plan as part of a strategy of forming a new urban renewal district for downtown.

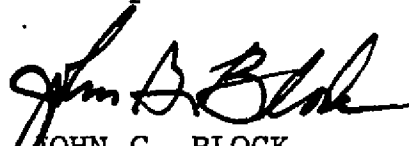
The new district would be able to:

- o start with a new tax base for downtown.
- o allow the expansion of a renewal district boundary to include the End of the Oregon Trail project area.
- o allow for new projects to be considered and old projects to be reviewed and updated.
- o allow future development of the Lagoon area.

Because the assessed value in the downtown area has hopefully bottomed out, and that there is potential for a hotel on the old sewer treatment plant property, the likelihood for tax increment to finance downtown projects looks good.

The Advisory Committee voiced caution on how this change is brought forward and suggested early involvement with the School Board and downtown interests.

If the Agency supports the recommendation, it should authorize the Executive Director to proceed with the plan amendment process.


JOHN G. BLOCK
Executive Director

JGB:im

attach.

URBAN RENEWAL AGENCY

URBAN RENEWAL ADVISORY BOARD

The first meeting of the restructured Urban Renewal Advisory Board was held at 5:00 p.m., on May 16, 1990 in Conference Room "C" of City Hall.

Those present:

Kenneth Mitchell
Pat Smith
Pete Schnell
Don Andersen
Wes Wood

John Block, Dev. Services Director
Scott Harper, Finance Officer
Irmgard Marggi, Sec.

Others present were: Renewal Agency Consultants Charles Kupper, John Spencer, and Rich Forrester and Carol Suzuki.

The meeting commenced with an introduction of the Renewal Agency consultants. These individuals worked on the first Amendment to the Renewal Plan, and are now working on a feasibility study for the north end area. The devaluation of the downtown area is the main topic on the agenda and the consultants were invited to discuss the options and process of proceeding with a plan amendment.

The meeting was turned over to Mr. Kupper, who referred to a memorandum dated May 15, 1990 that was submitted to John Block. He commented on the present plan and some of the legal issues, noting the City's plan is unique in that it has two separate areas. This has recently raised questions about the ability of being able to do financing using tax increment from one area to the other; therefore, a plan amendment separating the two areas would also resolve the potential legal challenge.

Recommendation from the consulting firm would be to amend the plan to dissolve the downtown portion of the district and create a new district for downtown. Amending would remove the downtown area from the Red Soils plan; amend the existing plan projects, and create a new renewal plan for the downtown area.

Schnell requested a time limit as to how soon the proposal could be looked at; could it be started right away? The consultants said an amendment could be started immediately and would take approximately 90 to 120 days. Andersen commented that Red Soils was to aid downtown and help the County relocate. Forrester commented that there is an inability to obtain financing. Block stated downtown takes away the ability to make improvements at Red Soils. Schnell talked about a previous plan and the cost of each plan. There is a need to look at facts as they exist. Block explained that staff is only trying to provide background information.

Explanation was made that removing downtown will make Red Soils work. Andersen wonders what happens to downtown. A contiguous boundary will need be created in order to better be able to obtain funding. The proposal is to establish the north end and downtown as one district; Red Soils will be able to stand alone. Further comment was that Berryhill was to help with the Red Soils development.

Since a Renewal District can only be expanded by 20%, a new downtown district will need to be created. Mitchell arrived at this time. Kupper continued that an amendment is logical and necessary and could be accomplished within 90 to 120 days. There will need to be public hearings with the Planning Commission and the City Commission, as well as the Urban Renewal Agency prior to approval, and can be moved forward very effectively. It will take considerable effort to add projects; the challenge being the creation of projects for downtown. The present plan is a "no win" situation.

Andersen is in favor of removing downtown. Block noted that County offices for downtown are still uncertain; however, if consolidated in downtown that could bring other development. Schnell wondered about incentives or disincentives for the County to remain downtown; Urban Renewal provides an excellent vehicle to move consolidation forward in downtown. Schnell wants to redesign a new district as soon as possible, noting it can only go up from this point.

John Spencer related that Bend has similar problems with devaluation, and dissolved and reestablished their Renewal District. Schnell commented that businesses need to provide parking, not the City or County; and that downtown must not look like a junk yard. He thinks Main Street looks worse than the rear portions of buildings in downtown. Andersen commented that previously the merchants would not support a parking structure. Block stated parking is a good role for Urban Renewal and could be used to leverage private investments. It was stated there is a negative attitude in downtown and they need to help themselves.

Smith reviews what is being requested; Wood is for the plan but has concerns about the public perception. Anderson wants the School District and the Board Members informed as to what Urban Renewal is trying to accomplish. Block explained this was done the first time and will be done again. There is a need for all to understand the tax rate implications.

Smith is concerned about marketing a new plan to the public, stating it must be as specific as possible. Also believes there will be a negative impact if the verbiage is not correct. Block commented there is not much opportunity for development in downtown and there is still a misperception between downtown versus hilltop. There could be opportunity through the development of the End of

Oregon Trail Project being planned for the north end area to tie the two areas together and help be an anchor for new development downtown. The Committee will need to direct Block and the consultants on acceptable wording and can suggest changes in the boundary; however, the size cannot be more than 25% of the land area or assessed value of the City.

It was moved by Mitchell, seconded by Schnell, that we recommend to the Urban Renewal Agency to do a comprehensive amendment to the existing renewal plan, deleting all findings, data, and references relating to the downtown elements of the plan and move forward on the re-formation of the downtown element into a new renewal plan. UNANIMOUS APPROVAL.

Due to a previous commitment, it was necessary for Schnell to leave the meeting. A five minute break was called at 6:17, whereupon the consultants and the attorney also departed.

The meeting reconvened at 6:23. Block reviewed Red Soils history beginning with 1983 commenting that Oregon City desires to be a full service city, not just a bedroom community similar to West Linn; therefore the need for an employment base as well as a residential base. Discussion commenced on the plan for the Agency to acquire and develop a portion of Red Soils. There has been a dependency on Clackamas County to aid Oregon City, but Block has felt a lack of cooperation from the County. Andersen likes what he is hearing today. Mitchell likes the idea of developing only 3 lots at Red Soils at the present time. This will show developers that something is happening.

Considerable discussion ensued about purchase price for Red Soils property; business skills of the County Commission; need for attitudinal changes; lottery grant funds return; proposed access roadway to Red Soils, and development potentials. Block commented he is glad that Carol Suzuki is present to comment on the status of discussion on the proposed roadway.

The schedule of the next meeting was requested; however, it was unknown at this time when this committee will meet. It may be in two or three weeks, or even one month. All members will be notified in advance of the meeting.

There being no further business, the meeting was adjourned at 7:00 p.m.

Respectfully submitted,

May 15, 1990

To: John Block
From: Charles Kupper

Re: Oregon City Plan Amendment

Richard Forester, John Spencer, and I have spoken about ways to proceed with the requested amendment to Oregon City's Renewal Plan. As we understand, you expect a major reduction in valuation in the downtown area. The decline in valuation will wipe out expected increases in the Red Soils district, and prevent carrying out plan activities. Our consulting team discussed two options to deal with this situation.

1. Dissolve the current renewal plan, and adopt a new plan which excludes the downtown area. The City of Bend recently went through a "dissolve and re-form" process on its Downtown Renewal Plan. Oregon City's circumstances are so different from those in downtown Bend that we do not consider "dissolve and reform" a practical solution for Oregon City.
2. Do a comprehensive amendment to the existing renewal plan, deleting all findings, data, and references relating to the Downtown elements of the plan. The amended plan should be a self-contained, "stand-alone" document containing all text, findings, data and exhibits to make the intent and activities of the amended plan clear to all parties. We believe the comprehensive amendment will meet your objectives, and can be completed within 90-120 days.

We emphasize the need for a comprehensive amendment to the plan. The plan documents that you, the public, a bond underwriter, or bond counsel now have to work with are:

- A 1983 Renewal Plan which rests almost entirely upon objectives, activities, and findings relating to the Downtown area of the Plan. If all those references are simply deleted, it will be nearly impossible to understand the intent of the amended plan.
- A 1989 amendment to the Red Soils area of the Plan. Our concerns over the Renewal Plan at that time led us to carefully structure this amendment so it would serve virtually as a mini-renewal plan for the 67 acre area. The intent, and activities described in this amendment should be incorporated into a basic Plan document.

Finally, the November, 1989 ruling from LUBA on a challenge to Portland's Convention Center Renewal Plan suggests that it is wise to pay meticulous attention to the structure and details of a Renewal Plan. The amendments required to Oregon City's plan are wide reaching enough that each section of the Plan and Report should be reviewed, and carefully re-framed. A "cut and paste" job may expose you to unnecessary legal risk if the amendment is challenged. We strongly advise reviewing and re-writing the Plan from the ground up, and creating a single, easily understood, amended Plan document.

May 15, 1990

To: John Block
From: Charles Kupper

Re: Oregon City Plan Amendment - Schedule

1. *Data Gathering and Revision, Review of Findings*

- Acreage of amended plan
- Land Use in amended plan area.
- Building count in amended plan area.
- Conditions in amended plan area.
- Assessed Values in amended plan area.
- Identification of all Tax Lots in area (for assessment purposes)
- New Boundaries map and legal description of amended plan area.
- Proposed Activities in amended plan.
- Anticipated New Development activity in amended plan area.
- Timing and amount of new assessed values in amended plan area.
- Revised tables on impacts of amended plan on other taxing bodies
- Revise zoning, land use, activity, other maps for amended area.
- Findings on timing, intent, disposition on properties to be acquired.
- Amended duration of Plan?

Estimate one meeting with Task Force to get input on activities and funding priorities.

Estimate 30-45 days from notice to start.

2. *Draft document - Amended Plan and Report*

Incorporate all new data, exhibits, findings, and supporting text into a single Plan and Report document for the amended area.

- Estimate one meeting with Task Force to review completed draft.

Estimate 30 days from completion of Phase 1.

3. *Council and Planning Commission Review of Amendment*

Present amended Plan and Report to Planning Commission and City Council.

Estimate 14-28 days from completion of draft.

Estimate Total time to complete: 90 to 110 days from request to proceed.

OREGON CITY URBAN RENEWAL AGENCY
BUDGET COMMITTEE

There will be a meeting of the Oregon City Urban Renewal Budget Committee on Monday, May 21, 1990 at approximately 8:00 p.m., in the Commission Chambers, City Hall, 320 Warner-Milne Road, Oregon City, Oregon.

A G E N D A

1. Approval of February 5, 1990 minutes.
2. Review of Budget Schedule.
3. Review of 1990-91 Tax Increment Projection.
4. Review of 1990-91 Projects.
5. Review of letter from Daniel Anderson, Security Pacific Bank of Oregon.
6. Review of Fiscal Year 1990-91 Proposed Budget (as revised).

URBAN RENEWAL AGENCY BUDGET COMMITTEE

A meeting of the Urban Renewal Agency Budget Committee was held on February 5, 1990 in the City Commission Chambers of City Hall.

Those present:

Vance Morton, Budget Committee Chairman
David Spear, Urban Renewal Agency Board Chairman
Dan Fowler, Board Member
Suzanne VanOrman, Board Member
Robert Light, Board Member
Alice Norris, Secretary
Thor Wegner, Budget Committee Member
Brian Shaw, Budget Committee Member
Lori Dale, Budget Committee Member

John Block, Executive Director
Scott Harper, Finance Officer
Irmgard Marggi, Recording Secretary

Also present were the City Manager, and a member of the press.

John Block presented the budget message for the first budget to be proposed to the Urban Renewal Agency as being in the black, except for Supplemental Budget No. 1 that was recently approved. He stated the projects hinge on the sale of Red Soils by the County. The County Commission should have this matter resolved within the next 3 weeks. Block further stated that Red Soils needs to develop; however, there are no guarantees at this time.

Light commented various individuals have contacted him regarding the Clairmont Club acquisition. It was explained that the purchase was not accomplished with tax dollars.

Mention was made concerning a bond issue with the reply that tax increment money is to pay the bonding. In response to several questions it was stated several firms have submitted letters of interest; the Security Bank of Oregon could possibly be used to enter into agreements with interested businesses; the liability for incurred debts would be the Urban Renewal Agency, not the City according to the attorney.

Concern was expressed over the City Commission and the Budget Committee acting in the capacity of the Urban Renewal Agency and the Urban Renewal Agency Budget Committee, noting it appears to be risky as well as bestowing a feeling of nervousness.

Further concern was express over using the same titles on the Urban Renewal Agency as are used by City Commission.

Discussion returned to the 300 jobs anticipated from the proposed Red Soils development, whether these would be relocation jobs or new jobs. It was stated the small business start-ups would not have relocation jobs; others such as the Earth Stove enterprise that is considering re-location from Tualatin; the graphic tooling company based south of Oregon City, and the firm located on Agnes Avenue may re-locate some jobs; however, any expansion will create additional jobs.

Borrowing funds may be borderline during the first year; future years show tremendous financing possibilities. Systems development funds will not be used for Urban Renewal projects; Block desires to apply for a lottery grant. It was noted Yvonne Addington has promised to look at any future requests received from Oregon City for lottery funds. The sale of Red Soils, if approved by the County Board of Commissioners, should be closed by the end of June at which time construction could begin.

Table 6 - Project Values, Revenues and Costs as prepared by Charles Kupper, was explained by Block. Impact on Taxing Jurisdictions report was discussed, noting less than 17 cents per thousand on the tax rate. Red Soils is the corner stone of the program and should have acceptance from this committee.

It was moved by Norris, seconded by Light, to defer action on the budget until hearing from the County regarding sale of the Red Soils parcel. UNANIMOUS APPROVAL

It was moved by Shaw, seconded by Spear, to adjourn at 10:00 p.m.

Respectfully submitted,

ALICE NORRIS
Secretary

CITY OF OREGON CITY

Incorporated 1844

Dated

May 21, 1990

REPORT

Page 1 of 1

Subject: Fiscal Year 1990-91 Budget Schedule

Report No. 90-11

Attached is a copy of the budget adoption schedule for the Agency's budget for Budget Committee information.


JOHN G. BLOCK
Executive Director

JGB:im

attach.

URBAN RENEWAL AGENCY

URBAN RENEWAL AGENCY BUDGET
1990 - 1991

Publish Urban Renewal Agency Budget Committee meeting notice 8 - 14 days prior to meeting date

Friday, May 11, 1990

Urban Renewal Budget Committee meets to approve budget for 1990-91 and refer to Urban Renewal Agency for acceptance and setting date of public hearing

Monday, May 21, 1990,
7:00 p.m.

Urban Renewal Agency meets to accept Budget for 1990-91 and approve date of public hearing.

Wednesday, June 6, 1990,
7:00 p.m.

Publish Urban Renewal Agency Budget (Hearing Notice) (15 - 25 days prior to hearing)

Tuesday, June 12, 1990

Publish Second Notice of Hearing (8 - 14 days prior to hearing)

Tuesday, June 19, 1990

Public Hearing and Urban Renewal Agency adoption of Resolution

Wednesday, June 27, 1990
7:00 p.m.

File Budget with County Assessor, County Clerk and Department of Revenue

Prior to July 1, 1990

CITY OF OREGON CITY

Incorporated 1844

Dated

May 21, 1990

REPORT

Page 1 of 1

Subject: Fiscal Year 1990-91 Tax Increment
Projection

Report No. 90-12

The County Assessor still has not certified the assessment roll for Berryhill; however, has advised Scott Harper, Finance Officer, that the assessments will not be less than the \$5.9 million the City calculated in January. Copy attached.

At this point we need to assume that the downtown devaluation will not affect the Berryhill tax increment and that a minimum of \$5.9 million in assessed value for Berryhill will be set by the Assessor.

\$6 million in assessed value will raise approximately \$195,000 in tax increment in fiscal year 1990-91.


JOHN G. BLOCK
Executive Director

JGB:im

attach.

URBAN RENEWAL AGENCY

CITY OF OREGON CITY

Incorporated 1844

January 23, 1990

Dale Billups, Commercial Valuation Supervisor
Clackamas County Assessor's Office
168 Warner-Milne Road
Oregon City, Oregon 97045

Subject: Berryhill Assessed Valuations

Dear Dale:

As you know, now that Berryhill is within the City's Urban Renewal District, the City is interested in making sure that the land and construction values of Berryhill show up on the assessment roll as of December 31, 1989.

The information supplied by Centers West, the project developers and the City's Building Official is as follows:

Land Acquisition - 7-1-89	\$2,045,750
Site Work - 12-31-89	
on site	2,237,991
off site	168,443
Building Construction - 12-31-89	
Shari's Restaurant	93,750
K-Mart	435,000
Taco Bell	306,660
Albertson's	275,000
Retail Strip Store	333,550
TOTAL	\$5,896,144

Three parcels have been resold since the July 1, 1989 land purchase.

Albertson's	\$ 809,018
K-Mart	1,850,000
Taco Bell	304,190
TOTAL	\$2,963,208

Shari's and the Strip Store are leasing their sites from Centers West.

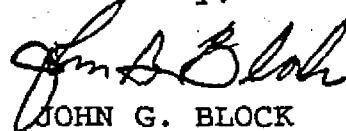
URBAN RENEWAL AGENCY

320 Warner Milne Rd. • Oregon City, OR 97045 • (503) 657-0891

Dave Billups, Commercial Valuation Supervisor
January 23, 1990
Page 2

Please place the above valuations on the assessment roles as of December 31, 1989. If for some reason you disagree with these amounts, please give me a call. In addition, other commercial land within the hilltop portion of the Urban Renewal District should be trended up accordingly.

Sincerely,



JOHN G. BLOCK
Development Services Director

JGB/im

cc - Urban Renewal Agency
- J. Scott Harper, Finance Officer

CITY OF OREGON CITY

Incorporated 1844

Dated

May 21, 1990

REPORT

Page _____ of _____

1 1

Subject: Fiscal Year 1990-91 Projects

Report No. 90-13

As presented in the budget report, there are some changes proposed in the projects list for fiscal year 1990-91.

- o The acquisition of Red-Soils has been reduced from 40 acres to 12 acres with an option for an additional 28 acres - estimated cost \$600,000.
- o The Red Soils Access Road and Utility improvements has been divided into two phases - estimated cost is \$350,000 for each phase.
- o The Molalla Avenue/Beavercreek Road Realignment project will be postponed until fiscal year 1991-92. The Water fund loan that funded the Clairmont Club acquisition will be rolled over into the fiscal year 1990-91 budget.

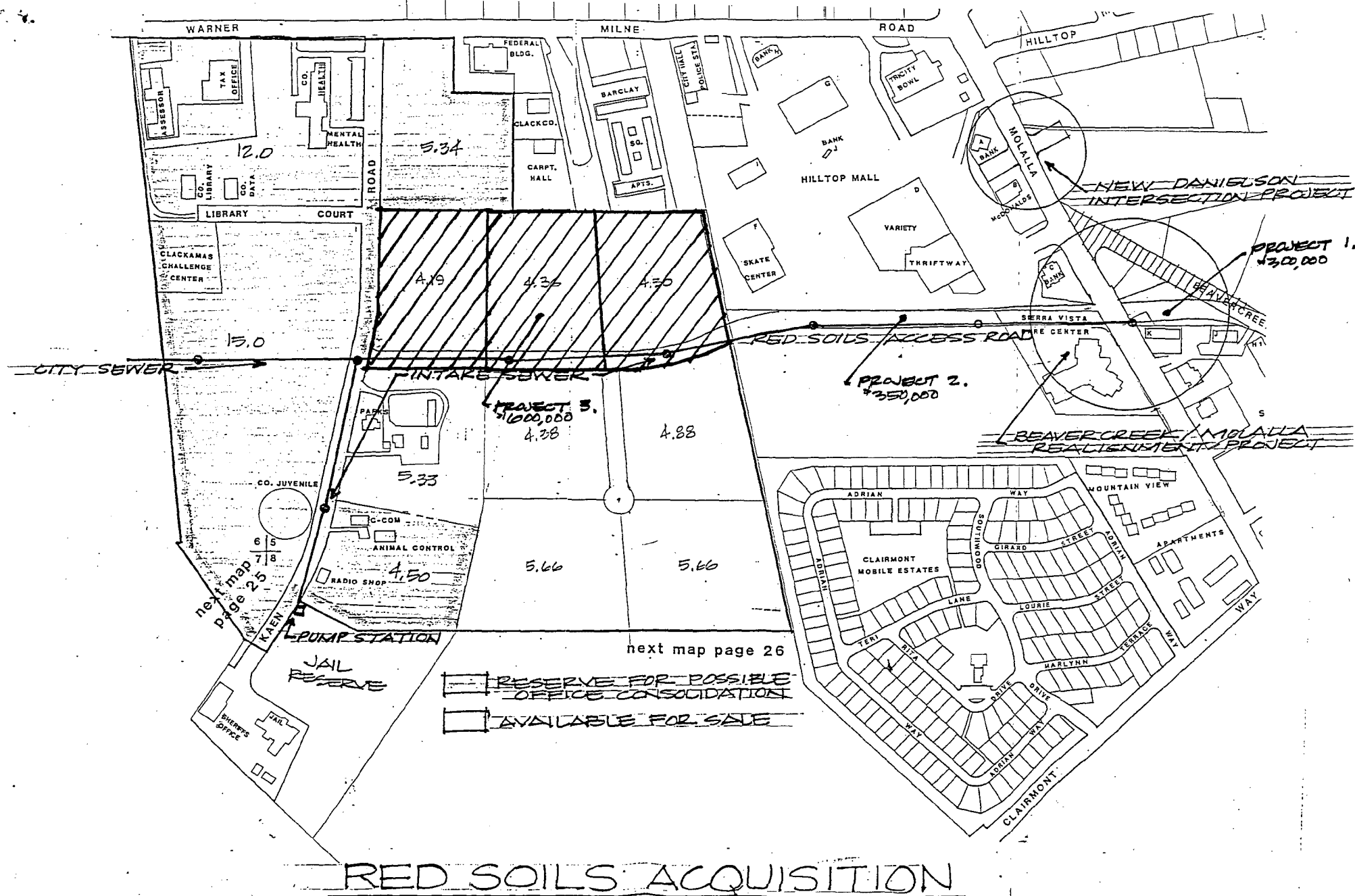
Attached is a map showing the three projects for Budget Committee information.


JOHN G. BLOCK
Executive Director

JGB:im

attach.

URBAN RENEWAL AGENCY



CITY OF OREGON CITY

Incorporated 1844

Dated

May 21, 1990

REPORT

Page 1 of 1

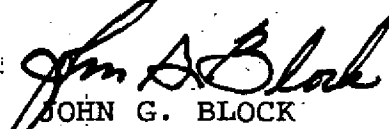
Subject: Urban Renewal Capitalization Plan
and Financing Commitment

Report No. 90-14

Security Pacific Bank of Oregon was asked to provide a Capitalization Plan for the Agency and a preliminary commitment to fund the acquisition of Red Soils. Attached is a letter from Security Pacific providing their financial analysis and commitment to fund for Budget Committee review.

Security Pacific recommends, as part of the capitalization plan, that the Agency maintain the Water Fund loan used to purchase the former Clairmont Club property, form a Local Improvement District to fund the Red Soils Access Road and Utility Improvements, and because of the devaluation downtown, sever the downtown area from the existing Red Soils redevelopment area.

These recommendations are going to be discussed at a special Urban Renewal Agency meeting before the Budget Committee meeting so direction can be provided. Based on the direction of the Renewal Agency, the Budget Committee should be able to make a final recommendation on the Agency's budget.


JOHN G. BLOCK
Executive Director

JGB:im

attach.

URBAN RENEWAL AGENCY



SECURITY PACIFIC BANK OREGON

May 17, 1990

John G. Block, Director
Development Services
City of Oregon City
320 Warner Milne Rd.
Oregon City, OR 97045

**RE: Fiscal Year 90-91 Capitalization Plan for Red Soils' Acquisition &
Access Projects**

Dear John:

You asked that Security Pacific review the funding needs of certain projects currently planned by the Oregon City Urban Renewal Agency for FY 90-91 and to comment on the proposed plan of capitalization for these projects. This letter responds to that request.

Background & Assumptions

The projects to be funded are located in the Red Soils Renewal Area and consist of two principal initiatives:

- o The acquisition of a twelve acre parcel from Clackamas County at an estimated acquisition cost of \$600,000, (the Red Soils Phase 1 acquisition) and;
- o The construction of certain infrastructure and right of way improvements to provide improved access to the Red Soils parcel (Red Soils Phase 1 Access). This project has an estimated cost of \$350,000.

In describing the project requirements to be funded, you also informed me of the Urban Renewal Agency's recent acquisition of the Clairmont Club site and the funding of that acquisition with an interfund loan from the City water fund to the Agency. I understand that this loan must be renewed annually and that it bears simple interest at 9%.

Assumptions, cont'd:

Certain property owners abutting the proposed alignment of the Red Soils Phase 1 Access project have indicated a willingness to provide interim financing for this project.

The Renewal Agency currently projects that the Red Soils Renewal Area will receive tax increment revenues to be levied on \$5 million of incremental value in FY 90-91 and will receive additional tax increment revenues from an additional \$8 million in incremental value (total of \$13 million) in FY 91-92.

In making these projections of prospective tax increment receipts, the Agency assumes that it will be able to successfully amend or otherwise modify its existing Plan prior to October 15, 1990 to exclude downtown Oregon City from the Red Soils Area. Such an amendment is required to avoid burdening Red Soils activities with the impact of an anticipated \$7 million write down in assessed value in the downtown area to be effective with the October 15th equalization of the tax rolls.

Capitalization Plan

The proposed plan of project capitalization involves three funding sources and a necessary action item. Details follow:

- o Maintain the Water Fund Loan. The existing loan from the water fund to the Agency is a liability of the Agency. If this liability must be retired in FY 90-91, the Agency's ability to pursue the Red Soils initiatives outlined on page one of this letter would be severely hampered. Thus we counsel that the water fund loan be maintained and extended until such time as the Agency is able to service this obligation. We have not reviewed the water fund's liquidity needs and offer no opinion as to the impact of maintenance of the loan to Agency on those needs.
- o Borrow against prospective tax increment receipts to acquire the 12 acre Red Soils parcel from the County. Offer a security interest in the acquired parcel and / or the Clairmont Club parcel as collateral. While this letter is not itself a financing commitment, we believe the structure proposed here is a "bankable" one and could be funded by Security Pacific.

- o Have the City form a local improvement district to encompass the site(s) of the Red Soils Phase 1 Access project. Construct the project using general obligation improvement warrants for interim financing. Sell the warrants to the abutting property owner who offered to provide interim financing. The warrants will be retired by a future Agency borrowing or by conventional Bancroft bond financing. To the extent feasible, the Agency should pay interim warrant interest amounts.

Thus the proposed funding resources and requirements are:

Sources of Funds:

Water fund loan	\$286,000
Tax increment borrowing	600,000
GO Improvement warrants	350,000

Total Sources	\$1,236,000

Uses of Funds:

Clairmont Club site	\$286,000
Phase 1 land acquisition	600,000
Phase 1 access project	350,000

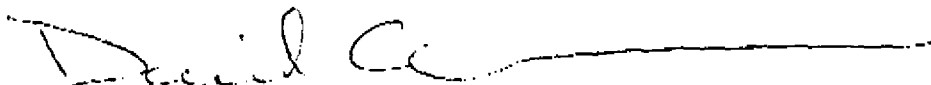
Total Uses	\$1,236,000

The final element of the capitalization plan is an action item: severing the downtown area from the existing Red Soils Redevelopment area. Timely completion (i.e. prior to October 15, 1990) of this step via plan amendment or other appropriate process is critical to preserve the economic asset represented by the \$8 million incremental value amount available in the Red Soils area in FY 90-91. Without such an effort, it will be much more difficult for the Agency to fully fund its Phase 1 projects and / or offer the land price write down locational inducements required to catalyze appropriate initial private development efforts in the Red Soils project area.

Letter to John Block
May 17, 1990 - page 4

Given the validity of the assumptions outlined at the beginning of this letter, I believe the capitalization plan proposed here is a prudent and feasible one which will permit the Agency to pursue this important economic development initiative in the coming fiscal year.

Respectfully,

A handwritten signature in dark ink, appearing to read "Daniel Anderson", followed by a long horizontal line extending to the right.

Daniel Anderson
First Vice President and Manager
Security Pacific Public Finance

CITY OF OREGON CITY

Incorporated 1844

Dated

May 21, 1990

REPORT

Page _____ of _____

1 1

Subject: Fiscal Year 1990-91
Budget

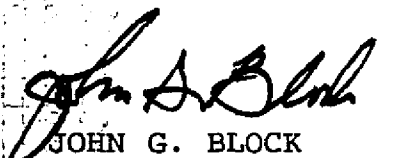
Report No. 90-15

In the fiscal year 1990-91 presented to the Budget Committee in February, three projects were discussed:

- o Acquisition of 40 acres of Red Soils for a Business Park - estimated cost \$1,750,000.
- o Red Soils Access and Utility Improvements - estimated cost \$675,000.
- o Beaver Creek Road/Molalla Avenue Intersection Realignment - estimated project cost of \$1,100,000 with \$300,000 Urban Renewal participation.

Because of the uncertainty of the acquisition of Red Soils, the Budget Committee recommended the budget consideration be postponed until the County made a decision on the Urban Renewal Agency's offer to purchase. A final decision from the County has not been made; however, the County indicated a willingness to sell and has appointed a chief negotiator to negotiate the terms and conditions of sale for County Board approval. Attached is a letter from Mike Swanson on the approval of negotiations for Budget Committee review.

We have assumed that the County will approve the sale of 12 acres and, have revised the proposed fiscal year 1990-91 budget accordingly. Copy attached for Budget Committee consideration.


JOHN G. BLOCK
Executive Director

JGB:im

attach.

URBAN RENEWAL AGENCY

CITY OF OREGON CITY
BUDGET DOCUMENT
1990-1991 FISCAL YEAR

FUND: OREGON CITY URBAN RENEWAL AGENCY
DEPARTMENT:

	1987-88	1988-89	X	1989-1990	X	1990-1991			
REQUIREMENTS	ACTUAL	ACTUAL	X	BUDGET	PROJECTED	X	PROPOSED	REVISED	ADOPTED
Positions			X			X			
Personal Services			X	\$7,620	\$7,620	X	7,620	7,620	
Materials & Services			X	16,490	4,000	X	145,000	25,000	
Capital Outlay			X	13,000		X	2,881,000	950,000	
Debt Service			X	22,180		X	316,000	342,554	
Contingency			X	380		X	1,600	2,026,046	
Transfers			X	100		X	100	100	
TOTAL	\$0	\$0	X	\$59,770	\$11,620	X	\$3,351,320	\$3,351,320	\$0

FUNDING SOURCES

Current tax collection			X	\$30,000	\$24,274	X	\$140,000	\$172,800	
Prior tax collection			X		900	X	1,500	1,500	
Investment income			X	2,000	2,080	X	820	1,800	
Debt (bonds, banks, warrents)			X			X	3,200,000	3,131,955	
Beginning Cash Balance			X	27,770	27,631	X	9,000	43,265	
TOTAL SOURCES	0	0	X	59,770	54,885	X	3,351,320	44,765	0
DEFICIT (CARRYOVER) OF RESOURCES	0	0	X	0	(43,265)	X	0	3,306,555	0
TOTAL	\$0	\$0	X	\$59,770	\$11,620	X	\$3,351,320	\$3,351,320	\$0

The Urban Renewal Agency is legally separate from all other City of Oregon City funds. The Agency's board is comprised of the same membership as the Oregon City Commission, yet this is not a City fund. The budget document for the Agency will have a summary of the impact on each taxing district effected by the apportionment of taxes to the Agency. The budget document will also include a description of each project, the method of financing the projects, a tax increment/cash flow projection for the Agency and a proposed time table.

The revision of the plan now proposed is to purchase 15 acres, build just the access road and fund the URA through bank loans secured by the future tax increment and warrents in an LID secured by the benefited property. The interfund loan from the Water Fund would be paid off, including interest to date and then renewed.

Project List:	PROPOSED	REVISED
Red Soils Acquisition	1,750,000	600,000
Red Soils Access and Infrastructure	675,000	350,000
Beavercreek/Molalla Realignment Local Match	300,000	0
	2,725,000	950,000

the Robert
Randall
company

Kristin Square • 9500 S.W. Barbur Blvd. • Suite 300 • Portland, Oregon 97219 • (503) 245-1131

May 21, 1990

John G. Block
Director Development Services
City of Oregon City
320 Warner Milne Road
Oregon City, Oregon 97043

RE: Randall Company Development at Mollala Avenue and
the New Red Soils Access Road

Dear John:

The Robert Randall Company is ready to work with the City of Oregon City on the Development Agreement related to the construction of the Red Soils Access Road and the Randall Development at Mollala Avenue. We are anticipating Building Permit application by September and if all goes well, a construction start date of Spring 1991. The Randall Company will agree on the road alignment and will dedicate the necessary property for the Red Soils Access Road construction subject to the following conditions:

1. Any additional dedication needed greater than the original 60 feet right of way requirement, the City of Oregon City will have to compensate the Randall Company in cash at the time of the dedication;
2. The Randall property lying north of the new access road will be traded with the Danielson property lying south of the new access road at the time of dedication. The difference in square footage adjustment will be paid to the Randall Company in cash at the same time;
3. Danielson will not object to any development on the Randall property;
4. Because of the additional road dedication required by Oregon City. The City will allow a variance on landscaping and parking requirement in order not to adversely impact the original design of the Randall project.

Sincerely,



Wilson Choy
Project Development Manager

WSC/bw

cc: RDR. Steve Mozinski

May 21, 1990

1 1

Subject: Fiscal Year 1990-91 Budget Schedule Report No. 90-11

Attached is a copy of the budget adoption schedule for the Agency's budget for Budget Committee information.

JOHN G. BLOCK
Executive Director

JGB:im

attach.

URBAN RENEWAL AGENCY BUDGET
1990 - 1991

Publish Urban Renewal Agency Budget Committee
meeting notice 8 - 14 days prior to
meeting date

Friday, May 11, 1990

Urban Renewal Budget Committee meets to
approve budget for 1990-91 and refer to
Urban Renewal Agency for acceptance and
setting date of public hearing

Monday, May 21, 1990,
7:00 p.m.

Urban Renewal Agency meets to accept
Budget for 1990-91 and approve date
of public hearing.

Wednesday, June 6, 1990,
7:00 p.m.

Publish Urban Renewal Agency Budget
(Hearing Notice) (15 - 25 days prior
to hearing)

Tuesday, June 12, 1990

Publish Second Notice of Hearing
(8 - 14 days prior to hearing)

Tuesday, June 19, 1990

Public Hearing and Urban Renewal Agency
adoption of Resolution

Wednesday, June 27, 1990
7:00 p.m.

File Budget with County Assessor, County Clerk
and Department of Revenue

Prior to July 1, 1990

May 21, 1990

1 1

Subject: Fiscal Year 1990-91 Tax Increment
Projection

Report No. 90-12

The County Assessor still has not certified the assessment roll for Berryhill; however, has advised Scott Harper, Finance Officer, that the assessments will not be less than the \$5.9 million the City calculated in January. Copy attached.

At this point we need to assume that the downtown devaluation will not affect the Berryhill tax increment and that a minimum of \$5.9 million in assessed value for Berryhill will be set by the Assessor.

\$6 million in assessed value will raise approximately \$195,000 in tax increment in fiscal year 1990-91.

JOHN G. BLOCK
Executive Director

JGB:im

attach.

May 21, 1990

1 1

Subject: Fiscal Year 1990-91 Projects

Report No. 90-13

As presented in the budget report, there are some changes proposed in the projects list for fiscal year 1990-91.

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- o The Red Soils Access Road and Utility improvements has been divided into two phases - estimated cost is \$350,000 for each phase.
- o The Molalla Avenue/Beavercreek Road Realignment project will be postponed until fiscal year 1991-92. The Water fund loan that funded the Clairmont Club acquisition will be rolled over into the fiscal year 1990-91 budget.

Attached is a map showing the three projects for Budget Committee information.

JOHN G. BLOCK
Executive Director

JGB:im

attach.

May 21, 1990

1 1

Subject: Urban Renewal Capitalization Plan
and Financing Commitment

Report No. 90-14

Security Pacific Bank of Oregon was asked to provide a Capitalization Plan for the Agency and a preliminary commitment to fund the acquisition of Red Soils. Attached is a letter from Security Pacific providing their financial analysis and commitment to fund for Budget Committee review.

Security Pacific recommends, as part of the capitalization plan, that the Agency maintain the Water Fund loan used to purchase the former Clairmont Club property, form a Local Improvement District to fund the Red Soils Access Road and Utility Improvements, and because of the devaluation downtown, sever the downtown area from the existing Red Soils redevelopment area.

These recommendations are going to be discussed at a special Urban Renewal Agency meeting before the Budget Committee meeting so direction can be provided. Based on the direction of the Renewal Agency, the Budget Committee should be able to make a final recommendation on the Agency's budget.

JOHN G. BLOCK
Executive Director

JGB:im

attach.

May 21, 1990

1 1

Subject: Fiscal Year 1990-91
Budget

Report No. 90-15

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- o Red Soils Access and Utility Improvements - estimated cost \$675,000.
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Because of the uncertainty of the acquisition of Red Soils, the Budget Committee recommended the budget consideration be postponed until the County made a decision on the Urban Renewal Agency's offer to purchase. A final decision from the County has not been made; however, the County indicated a willingness to sell and has appointed a chief negotiator to negotiate the terms and conditions of sale for County Board approval. Attached is a letter from Mike Swanson on the approval of negotiations for Budget Committee review.

We have assumed that the County will approve the sale of 12 acres and, have revised the proposed fiscal year 1990-91 budget accordingly. Copy attached for Budget Committee consideration.

JOHN G. BLOCK
Executive Director

JGB:im
attach.

May 21, 1990

1 1

Subject: Urban Renewal Capitalization Plan
Recommendations

Report No. 90-16

Security Pacific Bank of Oregon was asked to provide a Capitalization Plan for the Agency and a preliminary commitment to fund the acquisition of Red Soils. Attached is a letter from Security Pacific providing their financial analysis and commitment to fund for Agency review.

Security Pacific recommends, as part of the capitalization plan, that the Agency maintain the Water Fund loan used to purchase the former Clairmont Club property, form a Local Improvement District to fund the Red Soils Access Road and Utility Improvements, and because of the devaluation downtown, sever the downtown area from the existing Red Soils redevelopment area.

The financial aspects of these recommendations are going to be discussed at a Budget Committee meeting after the Agency meeting. Policy direction will need to be provided on the roll over of the Water Fund loan, the alternate financing plan for the Red Soils Access Road project, and if the Agency is going to continue its efforts to purchase a portion of Red Soils. Based on this direction, the Budget Committee should be able to make a final recommendation on the Agency's budget.

JOHN G. BLOCK
Executive Director

JGB:im

attach.

May 21, 1990

1 1

Subject: Advisory Committee Recommendations
Downtown Devaluation

Report No. 90-17

Attached are the minutes of the May 16, 1990 Urban Renewal Advisory Committee meeting and memorandum from Charles Kupper on plan amendment options for downtown, for Agency review.

Following a presentation by the Consultant and lengthy discussion of alternatives to mitigate the impacts of the devaluation of downtown, the Advisory Committee recommended that the Agency proceed with a amendment to the existing Renewal District that would delete the downtown area from the plan as part of a strategy of forming a new urban renewal district for downtown.

The new district would be able to:

- o start with a new tax base for downtown.
- o allow the expansion of a renewal district boundary to include the End of the Oregon Trail project area.
- o allow for new projects to be considered and old projects to be reviewed and updated.
- o allow future development of the Lagoon area.

Because the assessed value in the downtown area has hopefully bottomed out, and that there is potential for a hotel on the old sewer treatment plant property, the likelihood for tax increment to finance downtown projects looks good.

The Advisory Committee voiced caution on how this change is brought forward and suggested early involvement with the School Board and downtown interests.

If the Agency supports the recommendation, it should authorize the Executive Director to proceed with the plan amendment process.

JOHN G. BLOCK
Executive Director

JGB:im
attach.

CITY OF OREGON CITY

Incorporated 1844

Dated

March 21, 1990

REPORT

Page 1 of 1

Subject: Advisory Committee Status Report

Report No. 90-10

Attached is a copy of the Ordinance that transferred the Renewal Agency powers back to the City Commission for Board's review. Please note Section 3 that restructures the original Urban Renewal Board to be an advisory board to the City Commission. Listed below is the latest group of members on the Advisory Committee with their respective expiration dates.

Kenneth M. Mitchell	Term to expire:	12-31-91
Ronald R. Saunders	Term to expire:	12-31-91
Gerald W. Hermann	Term to expire:	12-31-90
Peter Schnell	Term to expire:	12-31-91
Phyllis Gehring	Term to expire:	12-31-89
Winston Kurth	Term to expire:	12-31-89
Vacancy		

Alayne Woolsey was on the Committee but resigned last year. As you can see, there is one vacancy and two expired terms. As discussed at the work session, the Board should consider filling the vacancy and the two expired terms. Following appointment I would recommend the Board hold a work session with the Advisory Committee and provide specific direction to follow.

As I indicated, direction is needed on downtown property devaluation, County office consolidation, Red Soils development, development of marketing and incentive programs, and the question of possible restructuring of the downtown district.

Following the invitation for committee members at the work session, Pat Smith has asked to be appointed. I would recommend her appointment and would recommend that two other members with strong business, financial and marketing expertise be appointed.



JOHN G. BLOCK
Executive Director

JGB/im

attach.

cc - Charles Leeson, Interim City Manager

URBAN RENEWAL AGENCY

ORDINANCE NO. 88-1002

AN ORDINANCE DECLARING TRANSFER OF URBAN RENEWAL AGENCY
POWER TO THE CITY COMMISSION

OREGON CITY DOES ORDAIN AS FOLLOWS:

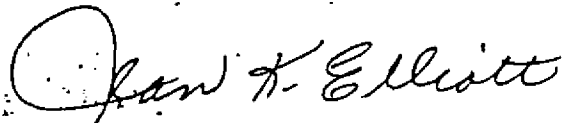
Section 1. The City Commission hereby finds that blighted areas as defined in ORS 457.010 continue to exist in the City, and that consequently, the need for a City Urban Renewal Agency continues, as provided by ORS 457.035.

Section 2. The City Commission pursuant to ORS 457.055, elects to, and hereby does, on the effective date of this ordinance, transfer to the City Commission the powers of the Urban Renewal Agency formerly vested in the body known as the OREGON CITY URBAN RENEWAL BOARD.

Section 3. The body known as the OREGON CITY URBAN RENEWAL BOARD now becomes an advisory body to the City Commission on urban renewal matters.

Section 4. That Ordinance No. 83-1014 be repealed, except that Oregon City Renewal Board composition requirements, terms of office, non-mandatory considerations for appointment, and mayoral removal power, remain the same as stated in Section 3 of Ordinance No. 83-1014.

Read first time at a regular meeting of the City Commission held on the 10th day of March, 1988, and the foregoing ordinance was finally enacted by the City Commission this 10th day of March, 1988.



JEAN R. ELLIOTT, City Recorder

ATTESTED this 10th day of March, 1988.


KENNETH M. MITCHELL, Mayor

ORDINANCE NO. 88-1002

Effective Date: April 9, 1988



CITY OF OREGON CITY

INCORPORATED 1841

FOR AGENDA
DATED

March 10, 1988

COMMISSION REPORT

Page 1 of 1

TO THE HONORABLE MAYOR AND COMMISSIONERS

Subject: Proposed Ordinance No. 88-1002, An Ordinance Declaring Transfer of Urban Renewal Agency Power to the City Commission Report No. 88-38

At its February 9, 1988 work session, the City Commission reviewed the status of the Urban Renewal Plan and discussed options for moving forward under the City's new Development Services initiatives. Projected tax increment revenues, project status and priorities, other revenue resources and the role of the Urban Renewal Board, were discussed.

On February 18, 1988, the City Commission met with the Urban Renewal Board to discuss their role in moving renewal plan forward. Consensus was reached that the City Commission should consider expanding its role as the Urban Renewal Agency with the Urban Renewal Board as an advisory committee to the City Commission.

As a point of information, there are currently two positions on the Urban Renewal Board with expired terms with the Chair considering resigning to devote more time to other projects. The City Commission may want to consider new appointments at this time.

Therefore, on the March 10, 1988 agenda, there is proposed Ordinance No. 88-1002 (copy attached) which reflects the changes considered by the Commission.

Notice of proposed Ordinance No. 88-1002 has been posted at City Hall, 320 Walner Mill Road; Courthouse, 807 Main Street; and, Senior Center, 615 5th Street, by direction of the City Recorder.

Based on the information provided, it is recommended that first reading be approved, second reading be called and approved for final enactment to become effective April 9, 1988.

THOMAS FENDER III
City Manager

JGB:Jkr
Attach

cc: Development Services Director

ORDINANCE NO. 83-1014

AN ORDINANCE DECLARING A NEED FOR AN URBAN
RENEWAL AGENCY

OREGON CITY DOES ORDAIN AS FOLLOWS:

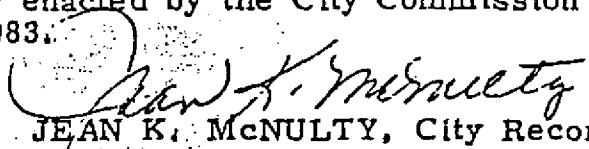
Section 1. The City Commission hereby finds that blighted areas as defined in ORS 457.010 exist in the City.

Section 2. That there is a need for an urban renewal agency to function in the City as provided in ORS 457.035.

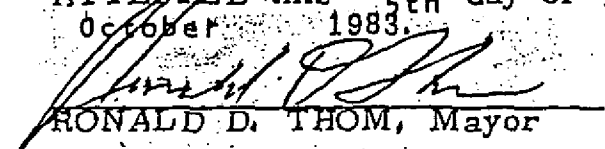
Section 3. That the City Commission elects to have the powers of the urban renewal agency exercised through a body known as the OREGON CITY URBAN RENEWAL BOARD, composed of seven members appointed by the Mayor with the approval of a majority of the City Commission. The term of office of each board member shall be for three years; provided, however, that of the initial membership two members shall be appointed for a one-year term, two members shall be appointed for a two-year term, and three members shall be appointed for a three-year term. The term of office shall be on a calendar year basis with the initial one-year term expiring December 31, 1984. Non-mandatory considerations for appointment shall include representation from the financial community, the Greater Oregon City Development Company, recommendations from the Board of County Commissioners and residency, property ownership or business affiliation in the taxing district. The Mayor with the approval of the City Commission may remove any member for cause.

Section 4. At a time and date set by the City Commission within 45 days of their appointment, the OREGON CITY URBAN RENEWAL BOARD shall hold an organizational meeting for the adoption of bylaws governing its procedures. Bylaws and amendments thereto shall be subject to approval of the City Commission.

Read first time at a regular meeting of the City Commission held on the 5th day of October 1983, and the foregoing ordinance was finally enacted by the City Commission this 5th day of October 1983.


JEAN K. McNULTY, City Recorder

ATTESTED this 5th day of
October 1983.


RONALD D. THOM, Mayor

ORDINANCE NO. 83-1014

Effective: November 4, 1983

Assessor says tax rates upped But some are down

By Michael Dale
News Editor for The Review

OREGON CITY — Depending on where their properties are, local property owners may see the assessed value of their holdings go up or down this spring, according to Clackamas County Assessor Ray Erland.

Assessed values in the city became the subject of heightened awareness recently as the city and the Oregon City School District completed their budgets for the fiscal year beginning July 1. The total assessed values in the two governments determine the nominal tax rates required by those budgets.

Budget committee members for both groups expressed surprise when they learned that, despite the spate of recent construction, assessed value in the areas increased less than 2 percent.

Erland is projecting an increase in the total assessed value in the school district of 1.8 percent, from \$907.3 million to

\$924. Values in the city are expected to increase about \$12 million to \$474 million, about a 3 percent increase.

However, the increases are not citywide. "We suspect properties in downtown Oregon City may be overvalued, and properties in the Hilltop area may be undervalued," said Erland.

He added that the Hilltop area is one of several real estate "hot spots" in the county now.

In a Feb. 20 memo to the school district Budget Committee, Erland said that though residential values here have increased 4 to 7 percent, commercial and apartment properties have declined, offsetting the increase. He projected the decline to continue into next year.

Erland said he already has one person working on the valuation of downtown, and he expects to have completed a study on the Hilltop area by May 1.

"We know there is new value there (Hilltop) that we haven't

yet included," Erland said.

The owner of any property that receives a re-assessment that is 5 percent or more larger than the previous assessment will be mailed a notice from the Assessor's Office. "It's good to let people know about rising values," Erland observed.

Special studies by his office are not unusual, Erland said; he added that such studies are done whenever his staff feels the values in an area are "out of line."

The Assessor's Office physically inspects one-sixth of the properties in the county every year, meaning the entire county is done every six years.

The city is scheduled for a complete appraisal in 1993.

For areas not being directly studied, the office tracks real estate selling prices, and from that data calculates trends in values.

Tax changes must be in May 1

OREGON CITY — Persons wishing to file adjustment requests with the Clackamas County Assessor's Office must do so before May 1. The requests may be for value appeals, deferrals and adjustments.

Ray Erland, county assessor, said an example of a value appeal would include a recent purchase-price of property that was lower than the assessed value or where the condition of the house has deteriorated since the last county inspection.

Erland said that deferral requests may be made by citizens 62 years of age or over, who live in their own home and whose income does not exceed \$18,500.

They must apply to have their property taxes deferred before April 15. The interest rate on the deferment is six percent.

Deferrals on forestland taxes must be made before April 1 or within 30 days of the Assessor's mailing of a value increase notice. Two acres of timberland is the minimum for this deferral.

Deferrals are also permitted on zoned or unzoned farmland. Persons seeking deferrals on unzoned farmland should apply before April 1. Zoned farmland does not require applications, but the Assessor's office should be notified of farm use by May 1.

Exemptions may be obtained by veterans, who are 40 percent

disabled or their surviving spouses who have remained unmarried, and special organizations.

The veteran or surviving spouse may be entitled to an exemption of at least \$7,500 off the assessed value of their home. Filing deadline is April 1.

Special organizations include religious, fraternal or charitable groups. Applications must be filed by April 1. If property is acquired prior to July 1, the application must be filed within 30 days of purchase.

For more information contact the Clackamas County Assessor's Office at 655-8671 or 655-8302.

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CITY OF OREGON CITY

Incorporated 1844

Dated

March 21, 1990

REPORT

Page 1 of 1

Subject: Randall Business Park
Red Soils Access Road Proposal

Report No. 90-06

As the Board knows, the Urban Renewal Plan includes constructing an access road from Molalla Avenue to Kaen Road. This project is part of an overall strategy to develop Red Soils. When this project was approved last fall discussions were held with the Robert Randall Company to encourage development of their property.

Various meetings were held and correspondence exchanged that led to Randall's decision to build a \$5 Million Industrial Office Park on their property subject to the Agency constructing the access road.

At issue is the timing of construction of the Road project. Randall would like to construct the Business Park this summer, but the Agency's road project needs to borrow funds and could take 6 months to 1 year to construct. Randall's proposal is to build the Road for the Agency as part of the Business Park project this summer under a reimbursement agreement.

I supported this idea and by letter, copy attached, indicated I would ask the Agency to approve at their March 21 meeting. The reimbursement proposal will allow the Agency to accomplish the project sooner without having to borrow funds. Tax Increment Revenues can be used over 12 to 24 months to cover the cost or a borrowing later to pay the reimbursement. The delay in borrowing will give the Agency more time to accumulate revenues allowing a better credit position.

It is recommended the Agency approve the reimbursement proposal and authorize the Executive Director to execute an agreement on behalf of the Agency.


JOHN G. BLOCK
Executive Director

JGB/im

attach.

cc - Charles Leeson, Interim City Manager
- J. Scott Harper, Finance Officer

URBAN RENEWAL AGENCY

CITY OF OREGON CITY

Incorporated 1844

March 2, 1990

Wilson S. Choy
Project Development Manager
9500 S. W. Barbur Boulevard, Suite 300
Portland, Oregon 97219

Subject: Red Soils Access Road

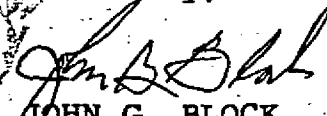
Dear Wilson:

I have reviewed the idea of the Randall Company building the access road with the Urban Renewal Agency reimbursing the project cost with a couple of the Agency Board members. They gave support to the idea if it would allow the project to go forward sooner.

As I have indicated the Beaver Creek Road realignment project and new signal on Molalla, because of the Federal funding schedule, could not be built until the Spring/Summer of 1991. As I understand the Randall Company wants to develop the business park this summer. I am obtaining a traffic engineering report to verify that the Red Soils access road could be built prior to the Beaver Creek Road realignment being completed and will advise when completed.

I am attaching a copy of the concept plan for the Beaver Creek realignment if I had not given it to you previously. I plan to present both of these issues to the Urban Renewal Agency Board on March 21 for decision. I will advise you at that time. If approved, we can proceed with a development agreement on the reimbursement. Please call me if you have any questions or need additional information.

Sincerely,


JOHN G. BLOCK

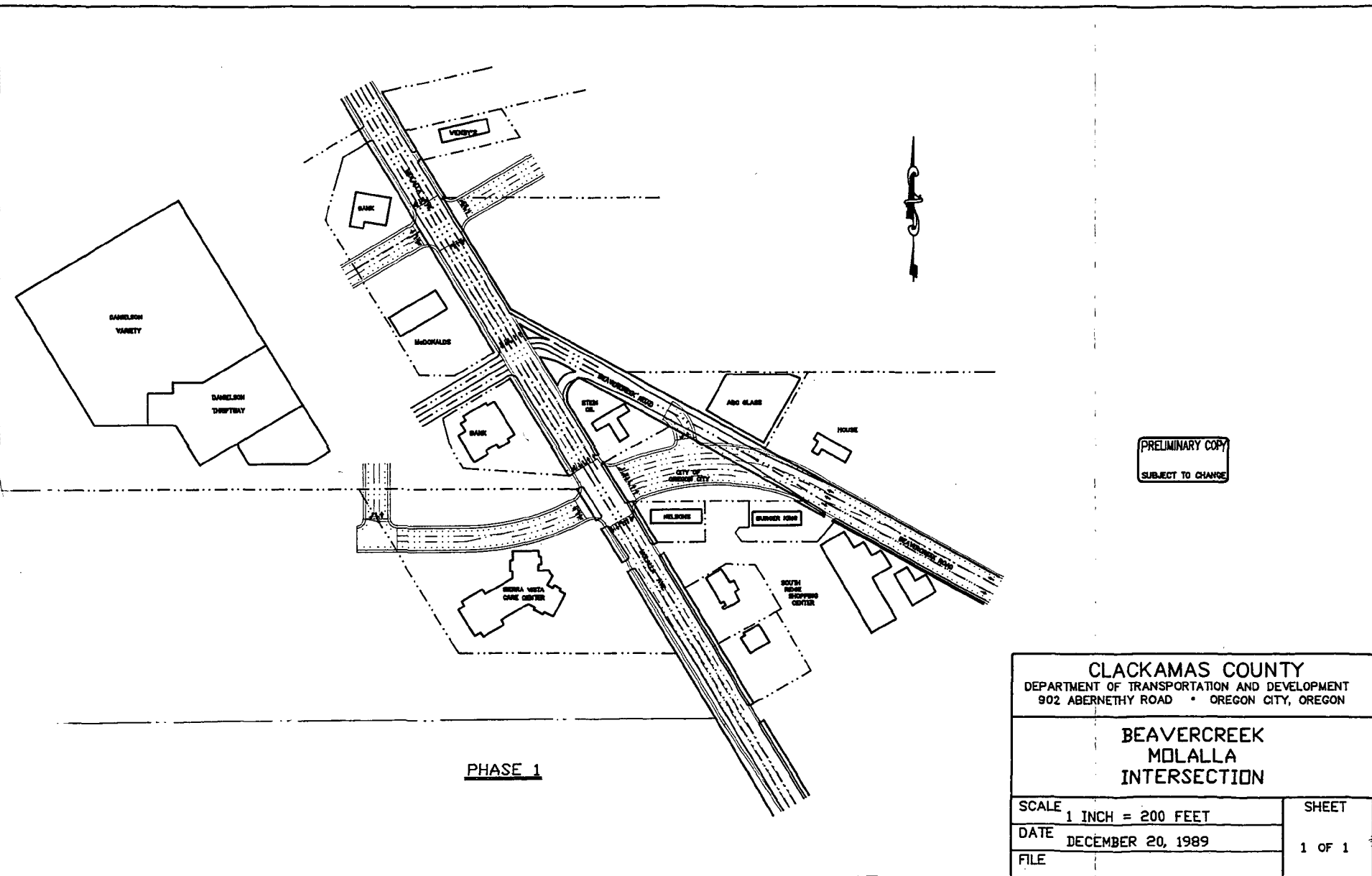
Development Services Director

JGB/im

cc - Urban Renewal Agency
- Charles Leeson, Interim City Manager

URBAN RENEWAL AGENCY

320 Warner Milne Rd. • Oregon City, OR 97045 • (503) 657-0891



CITY OF OREGON CITY

Incorporated 1844

Dated

March 21, 1990

REPORT

Page 1 of 1

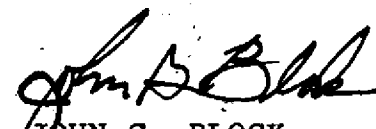
Subject: Legal Opinion on
Inter-area Fund Transfers

Report No. 90-08

At the request of the City Commission, the City Attorney has written an opinion on the question of transferring funds from the Hilltop portion of the Renwal District to the Downtown portion of the District. Attached is a copy of the opinion for Board review.

In conclusion, tax increment monies generated in one sub-area can only be spent on projects in that area, unless explicitly authorized in the adopted plan. To that extent, Hilltop sub-area tax increment funds could only be used for the relocation of Clackamas County offices at Red Soils to the Downtown sub-area.

It is recommended the Board adopt a motion to accept the legal opinion.


JOHN G. BLOCK
Executive Director

JGB/im

attach.

cc - Charles Leeson, Interim City Manager

URBAN RENEWAL AGENCY

MEMORANDUM

To: Charles Leeson, Interim City Manager
From: Edward J. Sullivan, City Attorney
Date: March 5, 1990
Re: Oregon City Urban Renewal District Financing
(inter-area fund transfers)

This memorandum addresses the issue of inter-area transfers of urban renewal funds within the same urban renewal district. As explained below, the law in this issue is not explicit. Therefore, this discussion is based on a conservative interpretation of the applicable statutes, legislative committee reports and Oregon City resolutions. It must be emphasized, however, that because the law on this point is not clear and the urban renewal and financial issues are of considerable importance, a conservative approach is recommended.

I. ISSUE:

Can money raised through Tax Increment Financing in one subarea of a City's Urban Renewal District be used for projects in another, separate subarea of the same District?

Conclusion: Probably not. While State law does not explicitly preclude such transfers, legislative history indicates that Tax Increment Financing ("TIF") funds were not intended to be used for the benefit of areas outside of the area from which such monies were derived. Specifically, TIF monies derived from the Red Soils subarea should be used in the Downtown subarea only to the extent necessary for the relocation of Clackamas County administrative offices.

II. FACTUAL OVERVIEW:

In 1983, Oregon City established the Oregon City Downtown Urban Renewal District, and at the same time adopted an Urban Renewal Plan ("Plan") for the management of urban renewal activities within the district. See City Resolution No. 83-3, adopted December 14, 1983, and Oregon City Downtown Development Plan -- February, 1983. The City's Urban Renewal District ("URD") was composed of 5 study areas clustered in 2 URD subareas: Lagoon, North End, Downtown Core and Publishers collectively comprise one subarea known as "Downtown." Red Soils, a 97-acre site located up on the hill, is a separate subarea unto itself. The 2 subareas are not contiguous, being separated by a distance of several miles. After adoption of Resolution 83-3, the City's Plan was not

challenged within 90 days and, thus, is conclusively presumed valid pursuant to ORS 457.135.

Oregon City's Plan, like all other such plans in the state, was designed to be financed under ORS chapter 457.420 through 457.460 using tax increment financing ("TIF"). See Plan at 69 for a brief explanation of TIF. Essentially, under a TIF system, the city sells bonds for the benefit of a specific area or subarea within the URD as provided under the approved Urban Renewal Plan. Money derived from the sale of the bonds pays for improvements which, in theory, result in a rise in value of the properties located within the improved area. The incremental increase in property tax which follows the property value increase goes to repay the URD's bonds, instead of going to the local government. The Oregon Supreme Court has ruled that urban renewal, and local area financing of urban renewal projects are constitutional. Foeller v. Housing Authority of Portland, 198 Or. 205, 256 P.2d 752 (1953).

Oregon City's Plan predicted the following revenues derived from TIF over the 10-year period 1984 to 1994 in the various urban renewal areas within the URD:

area	low estimate	high estimate
Downtown Core	\$ 300,000	\$ 300,000
Publisher's	1,200,000	10,200,000
North End	400,000	1,100,000
Lagoon	0	800,000
Red Soils	500,000	5,500,000

Plan at 74.

However, even at the time the Plan was being drafted, it was apparent that the Downtown subarea lacked an adequate basis for generating TIF monies; whereas, the Red Soils subarea had significant TIF potential. As such, the Plan's drafters admitted that:

The Core Area and North End do not have sufficient revenue-generating capability in themselves to carry out the Urban Renewal Projects/Program. The Lagoon scenario is perhaps too farfetched or tenuous to seriously consider; nor does it yield much revenue. Publisher's and/or Red Soils, however, could provide enough increment revenue to make downtown renewal very feasible, as well as limit the length of time a district would have to run.

The Oregon City commission must package the TIF district boundary as they feel appropriate. It will require

sensitive negotiation and analysis, and firmer commitments to the development scenarios.

Plan at 75.

In 1983, as today, Clackamas County maintained administrative offices in the Red Soils subarea. Because of the public function of these facilities, the County's Red Soils property had an assessed tax value of \$0. At the same time as Resolution 83-3 was adopted, Clackamas County signed an agreement to relocate its offices from the Red Soils subarea to the Downtown subarea. The County's agreement to participate in Oregon City's urban renewal project was officially acknowledged with the adoption of Resolution 83-784, In the Matter of Approving the Oregon City Downtown Development Plan, adopted April 28, 1983. In so doing, the County agreed, inter alia, to:

Authorize[] the County's Policy and Project Development Division to . . . begin marketing Red Soils for private development as a key part of this program; and

Pledge[] to relocate additional offices in the Downtown with the understanding that tax increment generated from the development of Redsoils would be available to build needed County facilities in Downtown.

Resolution 83-3 included the following reference to the County's plans to relocate its Red Soils offices:

The City Commission of Oregon City:

* * *

Endorses the concept of Clackamas County office consolidation in Downtown Oregon City and pledges tax increment revenue from Red Soils to help finance the needed facilities;

In the Plan itself, the Red Soils subarea was accorded a special status in the overall urban renewal scheme; however, its role as a funding source for Downtown projects was quite limited:

The Red Soils property's relationship to downtown is due to the County facilities -- either the County will abandon Downtown to build on Red Soils, or it will sell Red Soils to build in Downtown. If part of the property were sold to a private developer, this will provide an immediate "increment", since the value of the property would be suddenly placed on the tax rolls instead of being tax exempt.

The Red Soils property presently has a taxable assessed value of \$0, this could be increased to \$28,059,300 in 1995. This is based on the following assumed activity:

Date	Activity	TCV (1982\$)
1985	Sale of 45 acres (vacant) to private developer. (Valued at \$50,000 per acre).	\$ 2,250,000
1987	Build high-tech industrial facilities on 10 acres (25% lot coverage by bldgs, \$200/sq. ft. for bldgs, machinery, etc.)	\$21,780,000
1990	Sale of 15 acres of redevelopment area. Assume there are 9 buildable acres in addition to five buildings with the following sq. footages & appraised values:	\$ 1,640,480

Assessor	10,600 sq. ft.	\$280,720
Tax	3,590 "	\$113,060
Health	15,700 "	\$425,010
Data	6,200 "	\$230,550
Library	5,470 "	\$141,140

Red Soils could legally be included in an Urban Renewal District even though it is not contiguous to downtown. If included, it may be necessary to include road improvement projects on the property as part of the Urban Renewal Plan.

Plan at 73-4.

In 1989, the Plan was amended adding two sections to the Red Soils subarea, pursuant to Resolution 89-1. See First Amendment to the Oregon City Renewal Plan, sec. C, and Exhibit 1A, Sept. 1989. See also Report on First Amendment to the Oregon City Renewal Plan, Sept. 1989. The new sections consisted of a 3.2-acre parcel south of Warner-Milne Road, including the City Hall and a 64.15-acre parcel extending along both sides of Beaver Creek Road east of Molalla Avenue. This amendment increased the City's URD by 20% of its initial size, the maximum amount permissible in a single amendment under ORS 457.220(3). Moreover, the amendment brought the total land area of the URD to approximately 25% of the City, which under ORS 457.420(2)(b)(B), is the maximum allowable size.

Presently, Oregon City is preparing to begin the financing

phase of its Plan. In this context, a question has arisen as to the propriety of using TIF monies generated from the Red Soils subarea for improvements to the Downtown subarea. This concern was expressed in a November 29, 1989 report from the Executive Director of the City's Urban Renewal Agency. That report concluded that TIF monies derived from Red Soils subarea could not be applied to the Downtown subarea urban renewal projects.

III. DISCUSSION:

Urban renewal in Oregon is regulated under ORS chapter 457, which has been amended many times during its history. In 1977, the Joint Legislative Interim Task Force on Urban Renewal Financing issued a lengthy report on urban renewal, perceived financing problems, and recommended solutions ("Task Force Report"). Many of these recommendations were adopted and have been incorporated into the present version of Chapter 457. Primary concerns raised by taxpayers and local governments included the lack of public input and participation in the drafting, adoption and implementation of urban renewal plans and insufficient fiscal accountability in the planning and financing process. See Task Force Report at 10-12, 19-21 and 85-89.

While not directly addressing the problem at issue here, the Task Force made several recommendations including a requirement that public input and involvement be solicited at all stages of the urban renewal process, especially in planning and amendment of urban renewal plans. The Task Force also recommended stricter cost accounting, itemization and financing procedures, heightened oversight of TIF within urban renewal districts and the requirement that urban renewal agencies be subject to The Local Budget Law (ORS 294.305 through 294.520, 294.555 and 294.565).

These recommendations were motivated, in part, by the objections of local taxing bodies and citizen taxpayers that revenues generated through TIF in one area would be used for the benefit other areas or for nonapproved urban renewal projects - in effect a taxation without representation argument. See Task Force Report at 10 and 19-21. While not specifically precluding the transfer of TIF monies out of the area in which such were generated, the legislature felt additional fiscal and procedural oversight would solve the problems.

These added procedures are reflected in the reporting requirements of ORS 457.420 through 457.460 applicable to urban renewal agencies. These sections refer to the taxing and other financial aspects of property within "the urban renewal area" as opposed to areas or subareas. For example, ORS 457.440 (4) requires that:

That portion of the taxes representing the levy against

the increase, if any, in true cash value of property located in the urban renewal area, or part thereof, over the true cash value specified in the certificate or amendment to the certificate filed under ORS 457.430 shall, after collection by the tax collector, be paid into a special fund of the agency and shall be used to pay the principal and interest on indebtedness incurred by the agency to finance or refinance the carrying out of the urban renewal plan. (emphasis added)

Chapter 457 is replete with references to the singular "area or part thereof" in conjunction with "the plan" and debt incurred in carrying out the plan. Since the planning process requires a full description of each urban renewal subarea and each individual urban renewal project, it is logical to assume that "the plan" refers to that portion of the plan pertaining to a specific subarea or urban renewal project. This interpretation is supported by testimony before the Task Force by Howard Rankin, bonding agent for virtually every Oregon URD at the time. Mr. Rankin stated that:

The tax increment bonds are not general obligation bonds, and are secured solely by the increment in dollars received by reason of the increase in the assessed value of the project area over the base year.

Task Force Report at 17.

A 1977 Oregon Attorney General Opinion indicates that urban renewal monies are akin to dedicated funds to be used only for certain specific urban renewal purposes. 38 Or. Att'y Gen. Op. 1062 (no. 7484, Aug. 8, 1977). Opinion 7484 was written before Chapter 457 was amended to make urban renewal agencies subject to the Local Budget Law. The Opinion refers to urban renewal projects and the TIF indebtedness associated with properties located within individual project areas. The Attorney General interpreted Chapter 457 to authorize urban renewal projects within each urban renewal area - all within a local government's URD. TIF monies generated from properties located within each individual project area went into a "special fund" associated with that project. The Attorney General concluded that:

monies in the special fund are derived from taxes on the increased value of property in the project area and are expressly designated for payment of project costs. It follows that establishment of a project area is a prerequisite to creation of the special fund, and the existence of a project is a prerequisite to establishment of a project area.

It also follows that such monies could not properly be

applied to finance improvements outside of the project area, even though the improvements may be included in the overall urban renewal plan. We likewise conclude that monies may not properly be used to finance improvements included within a project area if the improvements are not included in the approved urban renewal plan.

38 Att'y Gen. Op. at 1075.

The Attorney General goes on to opine that any public official who expends TIF monies for non-approved projects, including projects located in other subareas within the same URD, would be personally liable for such expenditures. Today, ORS 294.100 is applicable to unauthorized expenditures from dedicated or special funds, and holds that:

(1) It is unlawful for any public official to expend any money in excess of the amounts, or for any other or different purpose than provided by law.

(2) Any public official who expends any public money in excess of the amounts, or for any other or different purpose of purposes than authorized by law, shall be civilly liable for the return of the money by suit of the district attorney of the district where the offense is committed, or at the suit of any taxpayer of such district.

Additionally, ORS 294.450(4) provides:

It shall be unlawful to transfer appropriations from any special revenue fund to the general fund or any other special revenue fund.

Thus, violation of or failure to comply with use restrictions attached to such "special funds" gives any taxpayer a cause of action to seek an injunction of such an expenditure. See Porter v. Tiffany, 11 Or. App. 542, 502 P.2d 1385 (1972); Carman v. Woodruff, 10 Or. 133, 138, (1882). Normally, public officers, acting in good faith, will not be held personally liable for public funds expended for unauthorized purposes. 38 Op. Or. Att'y Gen. 304, 318-19 (1976); State ex rel v. Mott, 163 Or. 631, 97 P.2d 950 (1940). However, the public officer, who is found to have expended public funds for an unauthorized purpose may be civilly liable for the expenditures. Porter v. Tiffany, supra.

Implicit in the Task Force Report, Attorney General Opinion 7484, and ORS Chapter 457 is the notion that TIF revenues may only be applied to projects within the area from which the revenues are generated and projects for which the plan explicitly or implicitly

authorizes such payments. As applied to Oregon City, TIF monies derived from the Red Soils subarea may only be applied to urban renewal projects within Red Soils or for projects that clearly benefit Red Soils. Since projects in the Downtown subarea are not within Red Soils and arguably do not benefit Red Soils, such expenditures are only allowable if authorized in the Plan.

Additional inferences may be drawn from Oregon City Resolution 83-3, by which the Plan was adopted, and Clackamas County Resolution 83-784. According to the Plan and the two resolutions, the only connection between Red Soils and Downtown is the relocation of county administrative offices from the former to the latter. Arguably, Red Soils is benefitted by such a relocation because sale of the County's property there would return the land to the property tax rolls and available for TIF. This project establishes the limit to which Red Soils TIF monies may be used in the Downtown subarea, i.e., only for the expenses involved in relocating the County's Red Soils offices to the Downtown subarea.

IV. CONCLUSION:

State statute and legislative committee reports imply a strong desire to restrict the transfer of urban renewal funds raised through tax increment financing. According to a conservative interpretation of the applicable law, TIF monies generated in one urban renewal subarea may only be used for projects in a separate subarea within the same urban renewal district when such expenditures would benefit the source subarea and when such transfers are implicitly or explicitly authorized in the adopted urban renewal plan.

In Oregon City, TIF monies generated in the Red Soils subarea may only be expended in the Downtown subarea to the extent that such funds are needed for the relocation of Clackamas County's Red Soils offices to the Downtown subarea. This is the only expenditure which can be inferred from Oregon City's Urban Renewal Plan and enacting resolutions. No other expenditures of Red Soils-generated TIF monies for projects outside of Red Soils are authorized. If such is indeed the case, public officials who attempt to use TIF funds derived from Red Soils for unauthorized purposes may be personally and civilly liable for the amounts so expended.

CITY OF OREGON CITY

Incorporated 1844

Dated

March 21, 1990

REPORT

Page 1 of 1

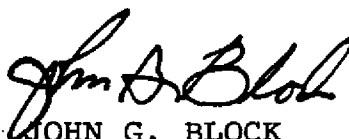
Subject: Red Soils Acquisition Status Report

Report No. 90-07

This matter was reported on at the January 17 Board meeting and there is some additional information to report. On January 31 I met again with the County Commission. Direction was provided to County staff to obtain an appraisal for the property and obtain an independent opinion on whether they would need any of the 40 acres proposed for their office consolidation project.

My understanding is a preliminary appraisal is complete and estimates a \$1.25 per square foot value for the property. I also understand that the independent reviewer confirmed that the 40 acres was not needed for future County use.

I have asked Carole Berggren, General Services Director, to provide a letter of the County Commission's direction and next step and timing in the approval process.



JOHN G. BLOCK
Executive Director

JGB/im

cc - Charles Leeson, Interim City Manager

CITY OF OREGON CITY

Incorporated 1844

File
Dated

January 5, 1990

REPORT *Memo*

Page 1 of 1

Subject: Urban Renewal Agency/Clackamas County
Board of Commissioners Work Session-
Red Soils Acquisition

Memo No. 90-01

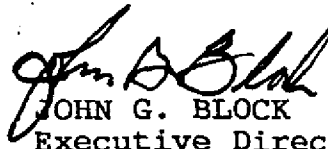
On Tuesday, January 9th at 9:30 a.m. there is a work session scheduled with the Board of County Commissioners. The purpose of the work session is to discuss the Agency's offer to purchase and develop 50 acres of Red Soils. There have been several articles in the newspaper on the Agency's offer and the Board's response. Attached is a copy of the Board's response for Agency review.

The Board's letter indicates that the acquisition may conflict with the County's consolidation effort so is waiting until that project is sited. Since both the office consolidation project and acquisition and development of Red Soils are in the Urban Renewal Plan it is appropriate to discuss both together. Attached for Agency review is previous correspondence on consolidation and letters of development interest in Red Soils.

Even though the Renewal Plan supports consolidation downtown, the Plan could be amended to support consolidation at Red Soils. The more difficult question is if Red Soils is not developed, tax increment revenue would not be available to fund Renewal projects. As in 1983, Red Soils remains the key element in the City's Urban Renewal Program.

The timing of a decision on consolidation and development of Red Soils is important in that the Agency has made commitments to the Robert Randall Company for a \$5 million Business Park and to the Danielson's on access to Red Soils and modifications to their existing access. Failure to decide or a change in direction at this time would set back the City's Urban Renewal Program and adversely affect other potential Renewal Projects; including redevelopment of the old Sewer Treatment Plant property, redevelopment of the lagoon, and participation in the End of the Oregon Trail project.

I believe that acquisition of Red Soils could help make consolidation work, whether at Red Soils or downtown. I have been working on a plan with Tom Vanderzanden and believe that all concerns can be addressed and the interests of the City and County met. I look forward to a constructive work session.


JOHN G. BLOCK

Executive Director

JGB:im

- cc - Thomas Fender III, City Manager
- Board of County Commissioners
- Michael Swanson, Chief Executive Officer

URBAN RENEWAL AGENCY



CLACKAMAS COUNTY

Board of Commissioners

DARLENE HOOLEY
CHAIR

DALE HARLAN
COMMISSIONER

ED LINDQUIST
COMMISSIONER

MICHAEL F. SWANSON
CHIEF EXECUTIVE OFFICER

December 11, 1989

John G. Block
Executive Director
Urban Renewal Agency
320 Warner Milne Rd.
Oregon City, Oregon 97045

Re: Acquisition of Red Soils

Dear John:

Thank you for your letter of December 1, 1989. You have asked us to review your request to begin negotiations for the purchase by the Agency from the County of the Red Soils property.

The County feels it is not in a position to begin negotiations for such a sale, because it is still intensively investigating and considering various alternatives for possible relocation and consolidation of County offices. The Red Soils site is obviously one of the sites that is being considered. We hope to make some decisions in these matters within the next few months, and as I have indicated to you previously, we will keep you closely apprised of our decision-making process and results.

Best regards,

A handwritten signature in dark ink, appearing to read "Mike Swanson", is written over a horizontal line.

Mike Swanson
Chief Executive Officer

/jck

CITY OF OREGON CITY

Incorporated 1844

December 19, 1989

Darlene Hooley, Chairperson
Clackamas County Board of Commissioners
906 Main Street
Oregon City, Oregon 97045

Subject: Acquisition of Red Soils

Dear Darlene:

The Urban Renewal Agency was surprised to read in the paper that the Agency's offer to acquire Red Soils conflicted with the County Consolidation effort.

The Agency's offer was not meant to remove a Red Soils site option for Consolidation. In fact the letter mentioned support for consolidation including consolidation at Red Soils. The Agency thought the County only needed about six acres for consolidation so the offer to leave 27 of the 77 acres for future County use seemed consistent with the County's needs. If the County needs more than the 27 acres, then the Agency apologizes for its misunderstanding and will agree to work with the County on acquiring only the portion of the property not needed.

The Agency believes its offer to acquire a large portion of Red Soils is consistent with the original Urban Renewal Plan and Development Agreement for Red Soils and could support Consolidation because it would provide a guaranteed source of revenue for the project.

The Agency would like to meet with the County Commission at a work session in early January to go over the Agency's offer and answer any questions the County may have. Please let me know the earliest date in January that a work session could be scheduled. Thank you.

Sincerely,


JOHN G. BLOCK
Executive Director

JGB/im
attach.

cc - Urban Renewal Agency
- Thomas Fender III, City Manager
- Mike Swanson, Chief Executive Officer

URBAN RENEWAL AGENCY

320 Warner Milne Rd. • Oregon City, OR 97045 • (503) 657-0891

CITY OF OREGON CITY

Incorporated 1844

December 1, 1989

Darlene Hooley, Chairperson
Board of County Commissioners
Clackamas County
906 Main Street
Oregon City, Oregon 97045

Subject: Acquisition of Red Soils

Dear Darlene:

The Oregon City Urban Renewal Agency met to discuss the marketing and development status of Red Soils and adopted a motion authorizing me to begin negotiations with Clackamas County for the purchase of up to 50 acres of Red Soils.

The Urban Renewal Agency has plans in place to invest \$1 Million for road and utility improvements for Red Soils and acquisition of Red Soils will give the Agency assurance that the site will be marketed and developed.

As we discussed, the Agency will pay market value for the property and pay relocation expenses where required. The Agency is willing to continue working with Clackamas County on consolidation efforts, including possible consolidation at Red Soils, and will agree to meet the design standards established in the original Red Soils Campus Industrial Plan.

Please review this request and advise with whom I should begin negotiations. The Agency would like to complete negotiations within 60 days. If the Board has any questions, please advise.

Sincerely,


JOHN G. BLOCK
Executive Director

JGB/im

cc - Thomas Fender III, City Manager
- Mike Swanson, Chief Executive Officer

URBAN RENEWAL AGENCY

320 Warner Milne Rd. • Oregon City, OR 97045 • (503) 657-0891



CLACKAMAS COUNTY

Board of Commissioners

DARLENE HOOLEY
CHAIRMAN

DALE HARLAN
COMMISSIONER

ED LINDQUIST
COMMISSIONER

MICHAEL F. SWANSON
CHIEF EXECUTIVE OFFICER

June 27, 1989

John G. Block
Executive Director
Oregon City Urban Renewal Agency
320 Warner Milne Road
Oregon City, OR 97045

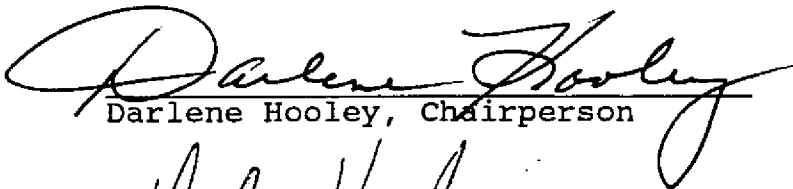
Dear John:

We certainly appreciate the concerns and suggestions about the County consolidation effort set forth in your May 9 letter. As you know the County is proceeding deliberately with the investigation of all consolidation alternatives.

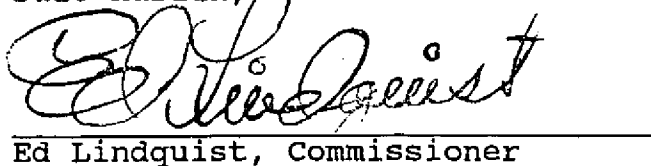
Rest assured that we intend to ask you to become involved in the discussion as the process evolves.

Sincerely,

Board of County Commissioners


Darlene Hooley, Chairperson


Dale Harlan, Commissioner


Ed Lindquist, Commissioner

cc: Carole Berggren
Tom Vanderzanden



CITY OF OREGON CITY

Incorporated 1844

DEVELOPMENT SERVICES
DEPARTMENT
Planning, Building,
Engineering
320 Warner Milne Road
Oregon City, OR 97045
(503) 657-0895

May 9, 1989

Board of County Commissioners
Clackamas County
906 Main Street
Oregon City, Oregon 97045

RE: Consolidated Office Facility

Dear Commissioners:

The Oregon City Urban Renewal Agency met to discuss the Consolidated Office Facility site selection study and the Board's decision to consider other non Oregon City locations. The Agency understands the Board's desire to analyze all options, but wanted you to know their position regarding consolidation.

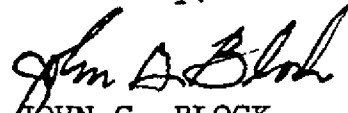
The Urban Renewal Agency has been reviewing the Renewal Plan and commissioned a marketing analysis to consider ways of moving the plan forward. The analysis supports the original concept of consolidating downtown and the economic benefits that could be achieved. For this reason and because the Board is considering other locations for the consolidation, the Agency wants you to know of their support for the downtown location and asks the Board to reaffirm the 1983 decision to locate downtown.

The Agency understands some of the political ramifications in selecting a site for the project and knows that cost will be a significant decision point. For that reason, the Agency supports the use of Urban Renewal Funds to assemble the property and provide parking for the project. Based on the Andrea Bainbridge Study this financial contribution amounts to \$4,228,000. It should be understood for the Urban Renewal Agency to commit to this level of funding that private development will need to occur at Red Soils. The Agency is currently acquiring the property necessary to provide direct access to Red Soils and wants to pursue discussions on the development of Red Soils with the Board.

Board of County Commissioners
May 9, 1989
Page 2

The Agency is prepared to negotiate options to purchase for the downtown location subject to Clackamas County Board approval of the downtown location. The delay and consideration of other locations makes it timely to negotiate these options. Please review with your staff and advise if you wish to accept the Urban Renewal Agency's offer to assist in the consolidation downtown and in pursuing the land assembly phase of the project.

Sincerely,


JOHN G. BLOCK
Executive Director

JGB/im

cc - Urban Renewal Agency
- Carole Berggren, General Services Director
- Tom VanderZanden, Planning & Economic Development Director

CITY OF OREGON CITY

Incorporated 1844

December 7, 1989

James P. West, Broker
J. P. West Company
8624 S. W. Cascade, No. 220
Beaverton, Oregon 97005

Subject: Red Soils Development Proposal

Dear Mr. West:

Attached is a concept plan that the Oregon City Urban Renewal Agency has prepared for the potential development of Red Soils.

You should keep in mind that this development plan was part of a recommendation by the Urban Renewal Agency to purchase a portion of Red Soils from Clackamas County. Clackamas County has not as yet agreed to sell Red Soils to the City so any marketing efforts would ultimately involve them.

I would still like to receive letters of interest however from any development interests as this will help support Red Soils acquisition by the Urban Renewal Agency.

Thank you for your interest in Red Soils. If you have any questions, please call me at 657-0891.

Sincerely,

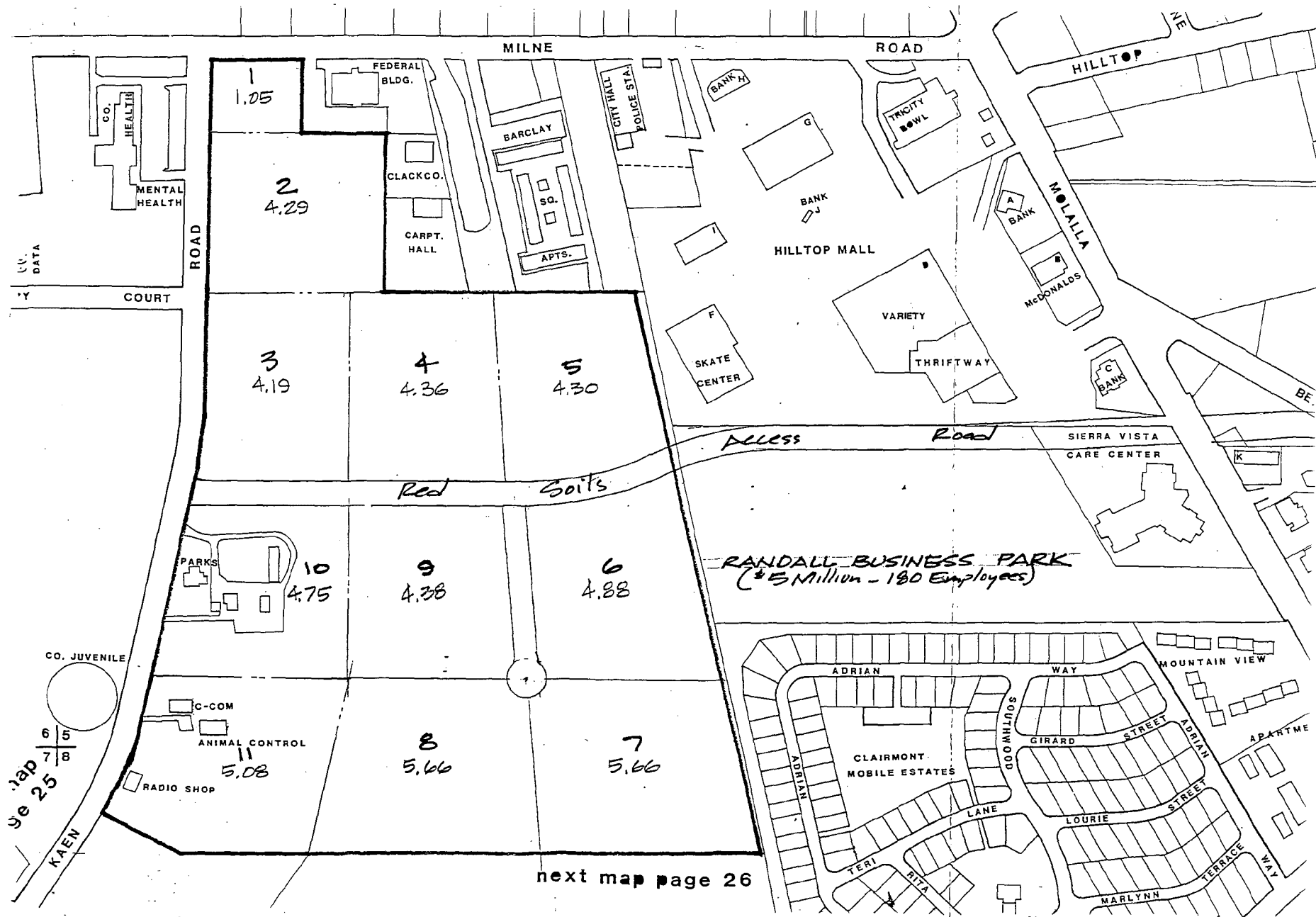


JOHN G. BLOCK
Executive Director

JGB/im
attach.

URBAN RENEWAL AGENCY

320 Warner Milne Rd. • Oregon City, OR 97045 • (503) 657-0891



the ^{Robert}
Randall
company

Kristin Square • 9500 S.W. Barbur Blvd. • Suite 300 • Portland, Oregon 97219 • (503) 245-1131 • FAX (503) 293-6230

November 21, 1989

John G. Block, Executive Officer
urban Renewal Agency,
City of Oregon City,
320 Warner Milne Road,
Oregon City, OR 97045

Subject: Red Soils Property Development Letter of Intent

Dear John,

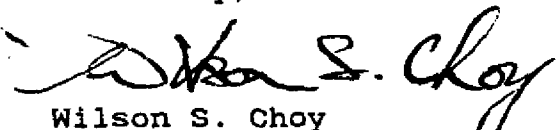
After months of feasibility study and planning, The Robert Randall Company is please to confirm that we are committed to develop an industrial and warehouse project on our Site near the Red Soils Property.

The preliminary development plan includes three industrial office buildings totalling 95,000 square feet and two mini-storage buildings with 13,950 square feet of space at a value of approximately \$5,000,000.00. We estimate 180 jobs will be created when the proposed project is fully developed.

The Randall Company is anxious to work with the City to facilitate the necessary design review and permit process predicated on the construction of the access road by the City. We will do what is required to initiate the construction of the Red Soils access road and related improvements promised by the City through the use of approximately \$560,000.00 Urban Renewal development funds. We also understand that some property dedication by our company is necessary for the street improvement and the City will draft a Development Agreement for the mutual benefit of the Randall Company and the City.

Looking forward to working with you on this much needed project for the growth of the area.

Sincerely,



Wilson S. Choy
Project Development Manager

encls: Preliminary Site Plan
cc: Steve Mozinski

Danielson Hilltop Mall

S 89° 52' 57" E - 300.00 FT.

Red Sails Access Road

70,330 SQ. FT.

64' x 37' CUL-DE-SAC
3,064 SQ. FT.

34,560 SQ. FT.

N 12° 44' 35" W - 530.00 FT.

S 39° 36' 05" E - 400.00 FT.

N 88° 52' 02" E - 340.00 FT.

S 89° 45' 00" W - 140.00 FT.

TO RV STORAGE



SCALE: 1" = 50'

Sienna Vista
Cove Center
Preliminary
Site Plan



GRAPHIC TOOLING & SYSTEMS, INC.

21203 S. MOLALLA AVE • OREGON CITY, OR 97045
(503) 656-7471

November 8, 1989

Mr. John G. Block
Development Services Director
City of Oregon City
320 Warner Milne Road
Oregon City, Oregon 97045

Re: Red Soils Property

Dear Mr. Block:

This letter is to advise you of the intent of Graphic Tooling & Systems, Inc. and Richard J. Stevens to acquire property in the area commonly known as the Red Soils property in Oregon City. It is our intent to purchase four acres of property immediately and to obtain an option for the purchase of another four acres within three years. The property will be purchased in the name of Richard J. Stevens and leased to Graphic.

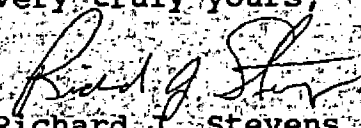
We intend to construct a 30,000 square foot manufacturing facility with office space. The preliminary estimated cost of the facility is about \$1,300,000. The second phase would involve about 70,000 additional square feet for manufacturing and warehouse.

I anticipate that the present employment of about 25 people by Graphic will double within a year after occupancy. About 150 employees will be expected when the second phase is completed.

This letter is not an offer to purchase; although I expect the transaction to be completed. It is subject to a satisfactory price for the property being negotiated, satisfactory financing and adequate infrastructure being installed.

We request the assistance of the Oregon City Urban Renewal Agency in arranging for infrastructure, dealing with Clackamas County and helping in any other way that appears reasonable. Please advise as soon as possible if this proposal is workable so we can proceed promptly. Graphic needs new quarters very soon.

Very truly yours,


Richard J. Stevens
President

Refractories Northwest Inc.

Industrial Refractory Products

16320 MAIN STREET OREGON CITY, OREGON 97045

(503) 657-4467

November 24, 1989

Mr. John G. Block
Development Services Director
City of Oregon City
320 Warner Milne Road
Oregon City, Oregon 97045

Re: Red Soils Development

Dear Mr. Block:

This letter is to advise you of our interest to purchase four acres of industrial property in the Red Soils area. It is our intent to purchase the property and immediately build a 30,000 to 40,000 square foot building containing office space, warehousing, and light manufacturing. The estimated cost of this building will be in the range of \$800,000 to \$900,000.

Our initial employment will be approximately fifteen people. We currently also have a commitment for a sub-lessor who requires approximately 5000 square feet and has fourteen employees.

This is not an offer to purchase, however, I definitely have great hopes that this will come to completion. We have been looking in Clackamas, Wilsonville and as far as Vancouver, Washington. The Red Soils area is currently our choice assuming arriving at a satisfactory price for the property with adequate financing and access to the property in a timely manner.

By this letter I am expressing our interest and requesting your assistance through the Oregon City Urban Renewal Agency to arrange the purchase and development of this property. Please advise us the status of this project as soon as possible so we can proceed with arrangements to begin construction by late next year.

SINCERELY,

Don Macauley

DONALD E. MACAULEY, PRESIDENT
REFRACTORIES NORTHWEST, INC.

EARTH STOVE MARKETING, INC.

November 22, 1989

Mr. John G. Block
Development Services Director
City of Oregon City
320 Warner Milne Rd.
Oregon City, OR 97045

Re: Red Soils Property

Dear Mr. Block:

This letter is to advise you of the intent of Earth Stove Marketing, Inc. and James D. Hermann to acquire property in the area commonly known as the Red Soils property in Oregon City. It is our intent to purchase four acres of property immediately and to obtain an option for the purchase of another 2 acres within three years. The property will be purchased in the name of James D. Hermann and leased to ESMI.

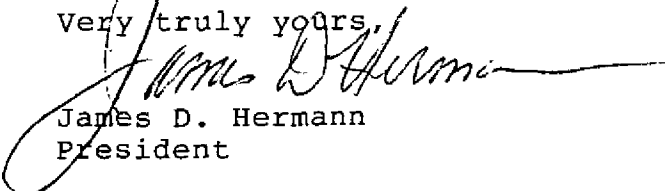
We intend to construct a 40,000 square foot manufacturing facility with office space. the preliminary estimated cost of the facility is about \$1,300,000. The second phase would involve about 20,000 additional square feet for manufacturing and warehouse.

I anticipate that the present employment of about 45 people by ESMI will increase within a year after occupancy. About 70 employees will be expected when the second phase is completed.

This letter is not an offer to purchase, although I expect the transaction to be completed. It is subject to a satisfactory price for the property being negotiated, satisfactory financing and adequate infrastructure being installed.

We request the assistance of the Oregon City Urban Renewal Agency in arranging for infrastructure, dealing with Clackamas County and helping in any other way that appears reasonable. Please advise as soon as possible if this proposal is workable so we can proceed promptly. ESMI needs new quarters very soon.

Very truly yours,


James D. Hermann
President



CITY OF OREGON CITY

Incorporated 1844

Dated

March 21, 1990

REPORT

Page 1 of 1

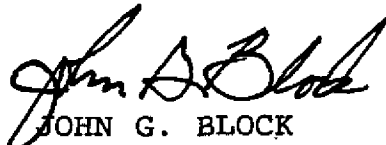
Subject: Budget Committee Status Report

Report No. 90-09

The Urban Renewal Agency Budget Committee met February 5 to review the Agency's Fiscal Year 1990-91 budget. Attached are copies of the Committee minutes for Board review.

Because the Red Soils Acquisition project is still uncertain, the Committee moved to defer final action on the budget until the County Commission decides on the Agency's offer to acquire.

As the Board knows, the final budget will need to be adopted prior to July 1, 1990, so the budget is planned to be put on the Board's regular meeting in May for final adoption.


JOHN G. BLOCK
Executive Director

JGB/im

attach.

cc - Charles Leeson, Interim City Manager

URBAN RENEWAL AGENCY

URBAN RENEWAL AGENCY BUDGET COMMITTEE

A meeting of the Urban Renewal Agency Budget Committee was held on February 5, 1990 in the City Commission Chambers of City Hall.

Those present:

Vance Morton, Budget Committee Chairman
David Spear, Urban Renewal Agency Board Chairman
Dan Fowler, Board Member
Suzanne VanOrman, Board Member
Robert Light, Board Member
Alice Norris, Secretary
Thor Wegner, Budget Committee Member
Brian Shaw, Budget Committee Member
Lori Dale, Budget Committee Member

John Block, Executive Director
Scott Harper, Finance Officer
Irmgard Marggi, Recording Secretary

Also present were the City Manager, and a member of the press.

John Block presented the budget message for the first budget to be proposed to the Urban Renewal Agency as being in the black, except for Supplemental Budget No. 1 that was recently approved. He stated the projects hinge on the sale of Red Soils by the County. The County Commission should have this matter resolved within the next 3 weeks. Block further stated that Red Soils needs to develop; however, there are no guarantees at this time.

Light commented various individuals have contacted him regarding the Clairmont Club acquisition. It was explained that the purchase was not accomplished with tax dollars.

Mention was made concerning a bond issue with the reply that tax increment money is to pay the bonding. In response to several questions it was stated several firms have submitted letters of interest; the Security Bank of Oregon could possibly be used to enter into agreements with interested businesses; the liability for incurred debts would be the Urban Renewal Agency, not the City according to the attorney.

Concern was expressed over the City Commission and the Budget Committee acting in the capacity of the Urban Renewal Agency and the Urban Renewal Agency Budget Committee, noting it appears to be risky as well as bestowing a feeling of nervousness.

Further concern was express over using the same titles on the Urban Renewal Agency as are used by City Commission.

Discussion returned to the 300 jobs anticipated from the proposed Red Soils development, whether these would be relocation jobs or new jobs. It was stated the small business start-ups would not have relocation jobs; others such as the Earth Stove enterprise that is considering re-location from Tualatin; the graphic tooling company based south of Oregon City, and the firm located on Agnes Avenue may re-locate some jobs; however, any expansion will create additional jobs.

Borrowing funds may be borderline during the first year; future years show tremendous financing possibilities. Systems development funds will not be used for Urban Renewal projects; Block desires to apply for a lottery grant. It was noted Yvonne Addington has promised to look at any future requests received from Oregon City for lottery funds. The sale of Red Soils, if approved by the County Board of Commissioners, should be closed by the end of June at which time construction could begin.

Table 6 - Project Values, Revenues and Costs as prepared by Charles Kupper, was explained by Block. Impact on Taxing Jurisdictions report was discussed, noting less than 17 cents per thousand on the tax rate. Red Soils is the corner stone of the program and should have acceptance from this committee.

It was moved by Norris, seconded by Light, to defer action on the budget until hearing from the County regarding sale of the Red Soils parcel. UNANIMOUS APPROVAL

It was moved by Shaw, seconded by Spear, to adjourn at 10:00 p.m.

Respectfully submitted,



ALICE NORRIS
Secretary

CITY OF OREGON CITY

Incorporated 1844

REPORT

Dated

February 5, 1990

Page _____ of _____

1 1

Subject: Creation of Checking Account
Resolution No. 90-02

Report No. 90-05

As a follow-up to the adoption of a budget for the Urban Renewal Agency is the matter of creating a checking account for Agency funds. Security Pacific Bank of Oregon, formerly the Oregon Bank, is being recommended as the Agency's bank. Checking services are about equal with any of the banks, but Security Pacific are noted for their participation in financing Urban Renewal projects. They have a local office at 1841 Molalla Avenue.

If the Agency supports this recommendation, it should adopt a motion approving Resolution No. 90-02.



JOHN G. BLOCK
Executive Director

JGB:im

cc: Development Services Director

URBAN RENEWAL AGENCY

RESOLUTION NO. 90-02

WHEREAS, the Urban Renewal Agency of Oregon City, Oregon desires to create a checking account at Security Pacific Bank of Oregon, 1841 Molalla Avenue, Oregon City, Oregon; and

WHEREAS, the Urban Renewal Agency hereby certifies that the City of Oregon City is a municipal corporation of the State of Oregon; and

WHEREAS, the funds to be deposited to the credit of the account are and will be public funds.

NOW, THEREFORE, BE IT RESOLVED by the Urban Renewal Agency of Oregon City, Oregon, that the above named bank is hereby authorized to create said checking account and that we hereby agree to be bound by applicable Federal and State laws, rules and regulations for as long as the account remains open.

Adopted, signed and approved this day of February 1990.

Mayor-Commissioner

Commissioner

Commissioner

Commissioner

Commissioner

Comprising the Urban Renewal
Agency of Oregon City, Oregon

CITY OF OREGON CITY

Incorporated 1844

Dated

January 17, 1990

REPORT

Page 1 of 1

Subject: Red Soils Acquisition
Status Report

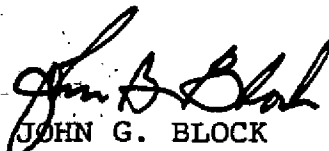
Report No. 90-03

On the January 17, 1990 Urban Renewal Agency agenda is a status report on the Agency's offer to acquire up to 50 acres of Red Soils. The Agency met with the Clackamas County Board of Commissioners at a work session on January 9th. Attached are two newspaper articles on the work session for Agency information.

The Board indicated its continued willingness to work with Oregon City and directed County staff to work with the Agency to decide if a portion of Red Soils could be sold and not conflict with the County office consolidation plans.

I met with Carole Berggren on January 10 to go over the Agency's offer to acquire Red Soils, and the amount of funding and timing of purchase details. I plan to meet with Carol, Carl Mosley, and Tom VanderZanden on January 16 to review the implications of acquisition on the various Consolidation options. Following this meeting, a report on the acquisition offer will be presented to the Board for consideration.

A Board decision is supposed to be made by January 30.


JOHN G. BLOCK
Executive Director

JGB:im

cc: Thomas Fender III, City Manager

URBAN RENEWAL AGENCY

CITY OF OREGON CITY

Incorporated 1844

Dated

January 17, 1990

REPORT

Page _____ of _____

1 1

Subject: Assessment Valuations of
Downtown Property

Report No. 90-04

On the January 17, 1990 Urban Renewal Agency agenda is a report on the assessment valuations of downtown property. Refer to the attached newspaper article. The City's Finance Officer has contacted the County Assessor regarding assessment valuation and has found that the Assessor has shifted valuations away from buildings onto the land and there would be some possibility that property owners could appeal the valuation of the land.

If this is the case, then the downtown portion of the Renewal District will continue to be devalued and continue to reduce the amount of tax increment financing available in the renewal district.

It is important to keep on top of this issue as the Agency may want to more thoroughly discuss the ~~deletion of the downtown area from the~~ Renewal District.

650-7935

John G. Block
JOHN G. BLOCK
Executive Director

JGB:im

attach.

cc: Thomas Fender III, City Manager

*It is possible
that property
maybe devalued*

*Devalued
1/2 million in
7 years
takes increment
away from
Hilltop*

URBAN RENEWAL AGENCY

CITY OF OREGON CITY

Incorporated 1844

Dated

January 17, 1990

REPORT

Page _____ of _____

1 1

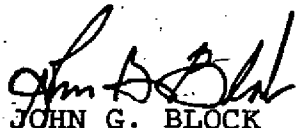
Subject: Assessment Valuations of
Downtown Property

Report No. 90-04

On the January 17, 1990 Urban Renewal Agency agenda is a report on the assessment valuations of downtown property. Refer to the attached newspaper article. The City's Finance Officer has contacted the County Assessor regarding assessment valuation and has found that the Assessor has shifted valuations away from buildings onto the land and there would be some possibility that property owners could appeal the valuation of the land.

If this is the case, then the downtown portion of the Renewal District will continue to be devalued and continue to reduce the amount of tax increment financing available in the renewal district.

It is important to keep on top of this issue as the Agency may want to more thoroughly discuss the deletion of the downtown area from the Renewal District.


JOHN G. BLOCK
Executive Director

JGB:im

attach.

cc: Thomas Fender III, City Manager

URBAN RENEWAL AGENCY

Businessman: O.C. assessments too high

By PETE MALLIRIS

January 5, 1990

OREGON CITY — The current assessed valuation of downtown property is much higher than it should be, says a long-time area real estate agent.

Urb Arbour of Arbour and Associates Real Estate Inc. on Main Street in Oregon City said downtown property owners could get their current assessments reduced substantially if they were to ask the County Board of Equalization to review the property value.

Arbour said he convinced the board last year to reduce the assessed

valuation of his property by 53 percent. Arbour said the county had grossly underestimated the value of his building while overestimating the value of the land. "You couldn't build an outhouse for the assessed valuation of my building," he said.

The majority of downtown property owners also could receive reductions in assessed valuation, many of them sizable, Arbour said.

"I want to get downtown Oregon City where it belongs," Arbour said. "With taxes as high as they are, you can't afford to make any improvements."

(Please Turn to Page 2.)



Group asks motorists to battle child abuse with white ribbons

MILWAUKIE — A local club is asking motorists to replace the red ribbons they tied to their vehicles during the holidays to promote sober driving with white ribbons to promote awareness of child abuse.

The Johnson Creek Yacht Club is sponsoring a white ribbon campaign in support of the Clackamas County Coalition for the Prevention of Child Abuse, said Bill Zagone, owner of K&S Marketing Services, Inc., and chairperson of the white ribbon committee.

spoke about the relationship between substance abuse and child abuse.

"I had no idea that child abuse was so prevalent," Zagone said.

Clements is hoping that people will learn to relate white ribbons to the correlation between substance abuse and child abuse just

(Please Turn to Page 2.)

Panel set on drugs and infants

OREGON CITY — Drug-affected infants will be the topic of a panel discussion at the fourth annual public meeting of the Clackamas County Coalition for the Prevention of Child Abuse.

The meeting will be held from 7 to 9 p.m. Thursday, Jan. 11 in the Clackamas County Community Corrections building, 1024 Main St.

The coalition will also elect new officers and board members, said President Christine Clements.

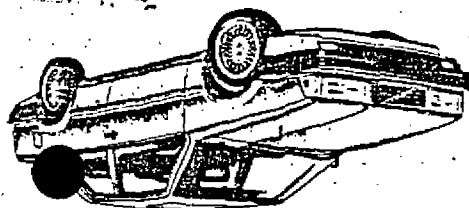
A panel discussion entitled "An Uncertain Future: Drug-Affected Infants" will include two members of the Clackamas County Drug-Affected Infant Task Force and a pediatrician, Clements said.

The meeting is free and open to the public.

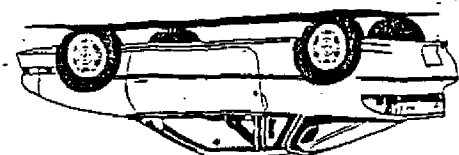
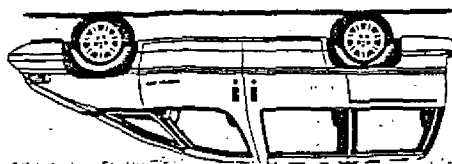
GN — Christine Clements, president of the Clackamas County Coalition for the Prevention of Child Abuse, said motorists will support a white ribbon to child abuse.

Zagone said he came up with the idea after the club made a \$700 donation to coalition President Christine Clements, who

OR DAILY HOME DELIVERY SAVINGS, 656-1911



0661



—Enterprise Courier, Oregon City, Oregon, Friday, January 5, 1990

Voman pleads guilty to charges

be sentenced for
custodial interference
OREGON CITY — A Feb. 8 sentencing date has been set for a 31-year-old Portland woman who pleaded guilty to first-degree custodial interference in connection with the disappearance of two Oregon City children in August. Shainel Charlene-Marie Feduica will be held in the Clackamas County Jail until she is sentenced. Her role in the disappearance of Kayla Marie Ward, 3, Feduica is charged with failing to turn the child to her parents, Ray and Deandre Ward, after a supposed dinner outing in Portland on Aug. 12. An additional charge of cus-

todial interference against Feduica will be dropped at sentencing if she complies with a plea agreement negotiated with the Clackamas County district attorney's office. Feduica must reveal full details about the case, including information about a man police believe to be involved, and must submit to a polygraph examination if requested to do so, according to Julie Elkins, deputy district attorney. Gwen McCallister, 20, has pleaded guilty to first-degree custodial interference in the disappearance of 4-year-old Tye Zachary Ward, Kayla's brother. She will be sentenced Jan. 12.

Police believe McCallister and Feduica traveled to California with the children, and then split up. It is believed that Feduica took Kayla Ward to Manchester, Tenn., where

the child was found alone at a motel on Aug. 24. Tye Ward was found Sept. 8 with McCallister in Vallejo, Calif. Both children were returned to their parents.

Ribbon

(Continued from Page 1.) as they do red ribbons with drinking and driving. "I think the timing is right for people to be aware of the correlation between substance abuse and child abuse," Clements said. She praised the club for taking the initiative and joining the fight against child abuse. "I believe in sharing ownership of the problem," Clements said. "The club is actually becoming a partner to the coalition." National statistics indicate that substance abuse by parents often leads to some form of child abuse, Clements said. What some people

are calling the newest form of child abuse — drug use by pregnant women — increased approximately 3,000 percent between 1987 and 1988, Clements said. To get the campaign off the ground, white ribbons are being sent to members of the Yacht Club, Zagone said. Businesses in the Milwaukie area then be contacted by phone to see if they are interested in participating, he said. "We're not asking for money. All we want people to do is fly the ribbons," Zagone said.

Taxes

(Continued from Page 1.) Appeals to the board of equalization must be filed by May. The board meets in June. Arbour says he intends to approach as many downtown property owners as possible to convince them to appeal their assessed valuation. Clackamas County Assessor Ray Erland said his office would like to see those appeals between now and May 1, before property owners go to the trouble of taking their case to the Board of Equalization. The county's new appraisals are

for Jan. 1, 1990, Erland explained. Between Jan. 1 and May 1 of this year, the county assessor's office reviews new construction, evaluates sales information about 83 percent of the county and makes adjustments in assessed valuation if necessary. Erland said the county could take a close look at sales information and incomes from buildings in downtown and make a blanket adjustment on the area if it is needed. He said he welcomes information from Arbour or other downtown property owners.

NOW IT'S TIME TO TALK TURKEY!
GET RID OF HOLIDAY "LEFTOVERS"



LOSE INCHES
FIRM UP
GET RESULTS

LOOKING



CALL US

"Let's Make Things Happen"

CITY OF OREGON CITY

Incorporated 1844

Dated

January 17, 1990

REPORT

Page _____ of _____

1 1

Subject: Marketing of Old Sewer Treatment Plant
Property

Report No. 90-02

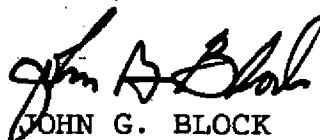
On the January 17, 1990 Urban Renewal Agency agenda is a recommendation that the Agency act as the City's agent in marketing the Old Sewer Treatment Plan property for development.

The Treatment Plant demolition project, that had been on hold for more than 1 year pending resolution of a title question, is now going forward. The demolition should begin in March and be completed by June.

Since the property is within the Urban Renewal District, and the Urban Renewal Agency is the City's development agency, it is appropriate that the Agency act as the City's agent in marketing the property.

If approved for marketing, a marketing package will be prepared and submitted to Metro area commercial real estate brokers. In addition, a sign will be erected indicating the property is available for sale or lease and who to contact.

As a related item, the Oregon City Commission will be asked to authorize the sale and approve the Agency's Marketing of the property.



JOHN G. BLOCK
Executive Director

JGB:im

cc: Thomas Fender III, City Manager

URBAN RENEWAL AGENCY



CITY OF OREGON CITY

INCORPORATED 1844

17
FOR AGENDA
DATED

January 17, 1990

COMMISSION REPORT

Page 1 of 1

TO THE HONORABLE MAYOR AND COMMISSIONERS

Subject: Authorization to Sell or Lease the
Old Sewer Treatment Plant Property

Report No. 90-05

On the January 17, 1990 City Commission agenda is a recommendation
to:

1. Authorize the marketing for sale or lease of the Old Sewer Treatment Plant.
2. Authorize the City's Urban Renewal Agency to act as the City's agent on marketing the property.

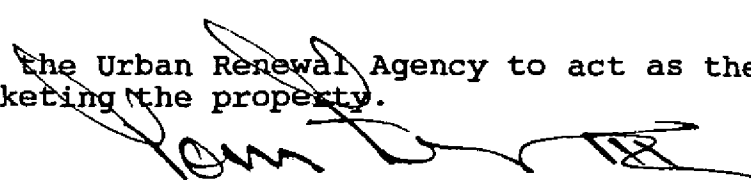
Since the Treatment Plant demolition project is going forward and should be completed by June, it is appropriate to consider the marketing and sale or lease of the property at this time.

In 1988 the City applied for a Community Development Block Grant to assist in the demolition of the Old Treatment Plant. The Plant, which was abandoned after the Tri-City Plant was constructed, had become an attractive nuisance and blighting condition in the City's waterfront area.

One of the conditions of the Block Grant was that a marketing study be conducted to assure that the site was commercially developable. The Market Study, done by Lord and Associates, indicated that the site was developable for either hotel or office use and indicated that a current market existed for hotel use.

If the Commission agrees on the timing of this action, it should adopt a motion:

1. to authorize the marketing of the property for sale or lease, and
2. to authorize the Urban Renewal Agency to act as the City's agent in marketing the property.


THOMAS FENDER III
City Manager

Approved

JGB:im

cc - John Block, Executive Director
- Urban Renewal Agency

CITY OF OREGON CITY

Incorporated 1844

Dated

January 17, 1990

REPORT

Page 1 of 1

Subject: Adoption of Supplemental Budget
No. 1 for Fiscal Year 1989-90 -
Public Hearing - Resolution No. 90-01

Report No. 90-01

On December 18, 1989, the Urban Renewal Agency Budget Committee approved Supplemental Budget No. 1 for fiscal year 1989-90 and referred it to the Urban Renewal Agency for public hearing and adoption. Wednesday, January 17, 1990 at 7:00 p.m. is set as the date and time of the public hearing.

First Notice of Public Hearing was published on Tuesday, January 1, 1990 with Second Notice published on Tuesday, January 9, 1990. Listed within those publications are resources and requirements for the Oregon City Urban Renewal Agency fund.

Attached to this report is an explanation of the activity related to the fund involved. Also attached is proposed Resolution NO. 90-1. If there is no opposition to Supplemental Budget No. 1, it is recommended that Resolution No. 90-1 be adopted.


JOHN G. BLOCK
Executive Director

JGB:im

attach.

cc: Development Services Director
City Manager
Finance Officer

URBAN RENEWAL AGENCY

RESOLUTION NO. 90-01

A RESOLUTION ADOPTING SUPPLEMENTAL BUDGET NO. 1 FOR FISCAL YEAR 1989-90 FOR THE CITY OF OREGON CITY URBAN RENEWAL AGENCY.

WHEREAS, the Oregon City Urban Renewal Agency has or will receive during the 1989-90 budget year the following sums:

(R-1)	<u>OREGON CITY URBAN RENEWAL AGENCY</u>	
	Resources:	
	Current Tax Collection	\$30,000
	Investment Income	2,000
	Borrow from Water Fund	286,000
	Beginning Cash Balance	<u>27,770</u>
	TOTAL RESOURCES	<u>\$345,770</u>

and

WHEREAS, pursuant to ORS 294.480 the Oregon City Urban Renewal Agency has prepared a Supplemental Budget of expenditures as follows:

(E-1)	<u>OREGON CITY URBAN RENEWAL AGENCY</u>	
	Expenditures:	
	Personal Services	\$ 7,620
	Materials & Services	16,490
	Capital Outlay	299,000
	Debt Service	22,180
	Other	380
	Transfers	<u>100</u>
	TOTAL EXPENDITURES	<u>\$345,770</u>

and has given due notice thereof in accordance with said section and a public hearing held this date, and no objections being filed and following such hearing,

NOW, THEREFORE, BE IT RESOLVED that the Oregon City Urban Renewal Agency does hereby make additional appropriations as described in E-1, and hereby makes additional expenditures as authorized by such appropriations.

Adopted, signed and approved this 17th day of January, 1990.

Mayor-Commissioner

Commissioner

Commissioner

Commissioner

Commissioner

Comprising the Urban Renewal
Agency of Oregon City, Oregon



NOTICE OF
SUPPLEMENTAL BUDGET HEARING

A public hearing on a proposed supplemental budget for City of Oregon City
Urban Renewal Agency Clackamas
(District Name) (County)

State of Oregon, for the fiscal year July 1, 19 89 to June 30, 1990 will be held at Oregon City City Hall
(Location)

320 Warner-Milne Road

The hearing will take place on the 17th day of January, 19 90 at 7:00 ☐ A.M. ☒ P.M. The purpose
(Month) (Time)

of the hearing is to discuss the supplemental budget with interested persons.

A copy of the supplemental budget document as approved by the Budget Committee may be inspected or obtained at

Oregon City City Hall
320 Warner-Milne Road
(Location)

between the hours of 8:00 ☒ A.M. ☐ P.M. and 5:00 ☐ A.M. ☒ P.M.

SUMMARY OF SUPPLEMENTAL BUDGET
Publish ONLY Those Funds Being Modified

FUND: Oregon City Urban Renewal Agency

Resource	Amount	Requirement	Amount
Current Tax Collection	\$30,000	Personal Services	7,620
1. Investment Income	2,000	1. Materials & Services	16,490
2. Borrow from Water Fund	286,000	Capital Outlay	299,000
3. Beginning Cash Balance	27,770	2. Debt Service	22,180
		Other	380
		3. Transfers	100
Total Resources	\$345,770	Total Requirements	\$345,770

Comments The Oregon City Urban Renewal Agency through its governing body will use these funds enable the development of projects within the area of the Agency and as a benefit to the properties therein. Funding is from the increase in taxable values within the Agency's designated area.

FUND:

Resource	Amount	Requirement	Amount
1. _____	_____	1. _____	_____
2. _____	_____	2. _____	_____
3. _____	_____	3. _____	_____
Comments	_____		_____
Total Resources	_____	Total Requirements	_____

A Use this section if the first Notice of Supplemental Budget Hearing was published in a newspaper.

SECOND NOTICE OF SUPPLEMENTAL BUDGET HEARING

A public hearing on a proposed supplemental budget for City of Oregon City
Urban Renewal Agency Clackamas
(District Name) (County)

State of Oregon, for the fiscal year July 1, 19 89 to June 30, 19 90 will be held at 320 Warner-Milne Road
Oregon City City Hall
(Location)

The hearing will take place on the 17th day of January, 19 90 at 7:00 ☐ A.M. ☒ P.M. The purpose
(Month) (Time)
of the hearing is to discuss the supplemental budget with interested persons. The first Notice of Supplemental Budget Hearing and

Financial Summary was published in Enterprise-Courier on January 2, 1990
(Name of Newspaper) (Date of Publication)

A copy of the supplemental budget document, as approved by the Budget Committee, may be inspected or obtained at

Oregon City City Hall
320 Warner-Milne Road
(Location)

between the hours of 8:00 ☒ A.M. ☐ P.M. and 5:00 ☐ A.M. ☒ P.M.

150-504-023 (6-87)

PUBLISH: Tuesday, January 9, 1990. - LEGAL

B Use this section if the first Notice of Supplemental Budget Hearing was given by mail or posting.

SECOND NOTICE OF SUPPLEMENTAL BUDGET HEARING

A public hearing on a proposed supplemental budget for _____
(District Name) (County)

State of Oregon, for the fiscal year July 1, 19 _____ to June 30, 19 _____ will be held at _____
(Location)

The hearing will take place on the _____ day of _____, 19 _____ at _____
(Month) (Time) ☐ A.M. ☐ P.M.

The purpose of the hearing is to discuss the supplemental budget with interested persons. The first Notice of Supplemental Budget

Hearing and Financial Summary was mailed or posted on _____
(Date)

as approved by the Budget Committee, may be inspected or obtained at _____
(Location)

between the hours of _____ ☐ A.M. ☐ P.M. and _____ ☐ A.M. ☐ P.M.

150-504-023 (6-87)

F. PROJECT ACTIVITIES

In order to achieve the goals and objectives of this Plan, the following project activities will be undertaken on behalf of the City by the Urban Renewal Agency (hereinafter referred to as "Agency") in accordance with applicable federal, state, county and city laws, policies, and procedures. The narrative description describes project activities to be fully or partially funded, acquired, designed, and or constructed using tax increment revenue. The Plan Amendment shall be used as the guiding document and description of project activities to be undertaken, subject to revisions as may be appropriate through final design, engineering, scheduling, budgeting and implementation as carried out by the Agency. The Report on the Plan Amendment lists annual project activities and contains projected costs and scheduling of project activities.

1. Transportation and Storm Drainage Improvements

- a. **Beavercreek Road and Molalla Avenue Improvements, Phase 1.** Improve the Molalla Avenue/Beavercreek Road intersection by relocating and widening to a 5-lane improvement south of the Stein Oil gas station. The project will extend from Molalla Avenue easterly approximately 500 feet to transition back to the existing 3-lane improvement on Beavercreek Road. The project includes signal relocation, sidewalk/bike path, drainage and street improvements, and right-of-way acquisition on Molalla Avenue and Beavercreek Roads.
- b. **Red Soils Access and Drainage Improvements.** Construct a new 3-lane roadway a distance of 2500 feet from the Molalla Avenue/Beavercreek Road intersection to Kaen Road. The project includes curb, sidewalks, street and drainage improvements. No right-of-way acquisition is anticipated.
- c. **Fir Street Extension and Beavercreek Road Frontage Improvements.** Construct a new 3-lane roadway a distance of 1450 feet from Beavercreek Road south to Fir Street. Only the portion of the new roadway within the Amendment Area will be financed with tax increment revenues. The project includes curb, sidewalk, street and drainage improvements for the new road; curb, sidewalk, street and drainage improvements to the Beavercreek Road frontage; and right-of-way acquisition.
- d. **Younger/Jacobi Access and Beavercreek Road Frontage Improvements.** Construct a new 3-lane roadway a distance of 850 feet from Beavercreek Road to the Younger property. The project includes curb, street and drainage improvements for the new road; curb, sidewalk, street and drainage improvements to the Beavercreek Road frontage; and right-of-way acquisition.
- e. **Beavercreek Road Improvements, Phase 2.** Improve Beavercreek Road from the Phase 1 improvement to approximately 500 feet east of the Oregon City Bypass to a 5-lane

roadway. The project includes approximately 3950 linear feet of curb, sidewalk, bikeway, signals, street and drainage improvements, and right-of-way acquisition. Tax increment revenues will finance a portion of the total project cost.

- e. **Warner Milne Road Improvements.** Improve Warner Milne Road from Molalla Avenue to Linn Avenue to a 5 land roadway. The project includes approximately 3700 linear feet of curb, sidewalk, bikeway, street, and drainage improvements, right of way acquisition, and a new signal at Kaen Road. Tax increment revenues will finance a portion of the total project cost.

2. Sewer and Water Improvements

a. **Red Soils Sanitary Sewer Improvements.** Construct a new 18 inch sanitary sewer line a distance of approximately 5300 linear feet across Red Soils to Molalla Avenue. Tax increment revenues will finance a portion of the total project costs.

- b. **Red Soils Water Improvements.** Construct a new 12 inch water line approximately 3300 linear feet in Kaen Road and a 12 inch water line approximately 2100 linear feet across Red Soils to Molalla Avenue. Tax increment revenues will finance a portion of the total project costs.

3. Property Acquisition

- a. **Property to be acquired for public use.** It is anticipated that acquisition of real property will be necessary to carry out the objectives of this plan. These properties include portions of parcels needed for roadway right-of-way as described for project activities 1.a-1.f. Portions of properties to be acquired for public use are shown on Exhibit 4 of this Plan Amendment, and are listed by Tax Map and Lot in Table 2 of this section.
- b. **Property to be Acquired for Redevelopment.** It is anticipated that the Renewal Board may acquire, assemble, and dispose of property for redevelopment by a redeveloper. Such acquisition and disposition is intended to assist in private commercial and industrial development in the Amendment Area by facilitating the consolidation of property into a parcel or parcels of adequate size for development. These properties include three tax lots currently under two ownerships used for a single-family residence and a wrecking yard. Both of these existing uses will be relocated. These properties are shown in Exhibit 5 of this Plan Amendment, and are listed by Tax Map and Lot in Table 2 of this section.
- c. **Property Gifts and Donations.** It is anticipated that owners of certain properties within the boundaries of the Amendment Area may wish to convey title to the Renewal Board via gift or donation. The Renewal Board may accept property gifts and donations and use or dispose of the property in any way consistent with this Plan Amendment. No

plan amendment will be required for such gifts and donations.

No acquisition of real property other than the acquisitions noted in Exhibits 4 and 5 and Table 2 below will be permitted without amendment to this Plan.

TABLE 2

Properties to be Acquired for Public Use

Tax Map	Tax Lot	
3-2E-5DB	3400	
3-2E-5D	500	(Portion)
3-2E-5D	501	(Portion)
3-2E-5D	400	(Portion)
3-2E-5D	1000	
3-2E-5D	1100	
3-2E-5C	300	(Portion)
3-2E-5D	1300	(Portion)
3-2E-5D	1400	(Portion)
3-2E-9B	2000	(Portion)
3-2E-5C	293	(Portion)

Properties to be Acquired for Redevelopment

Tax Map	Tax Lot
3-2E-5DB	3300
3-2E-5DB	3200
3-2E-5DB	3201

4. Administration and Planning

- a. Administration and Planning. The Renewal Agency may participate in the planning, design and engineering of public improvements noted in this section, activities related to the preparation of this Plan Amendment, and the general administration of this Plan Amendment.

Table 5
Cost and Timing of Project Activities

	<u>Total Cost</u>	<u>Project Share</u>	<u>Start Date</u>	<u>End Date</u>
Beavercreek Road Right of Way, Construction of street and Drainage	\$ 950,000	\$ 300,000	1991	1992
Red Soils Access Improvements Construction of Street and Drainage Improvements	675,000	675,000	1991	1992
Sewer & Water Improvements	876,500	258,000	1991	1992
Fir St., Beavercreek Rd. Frontage Right of Way, Construction of Street and Drainage Improve.	450,000	450,000	1994	1995
Younger/Jacoby Access, and Beavercreek Road Improvements Right of Way, Construction of Street and Drainage Improve.	620,493	620,493	1995	1996
Beavercreek Road Phase 2 Local Match of FAU Funds	2,029,800	304,470	1998	1999
Warner-Milne Road Improvements Right of Way, Construction of Street and Drainage Improve. Local Match of FAU Funds	2,206,000	330,990	1998	1999
Acquire Wrecking Yard Property	796,404	796,404	1994	1995
Interest Costs, 1991 Bond	773,000	773,000	1991	1999
Costs of Bond Issue	348,000	174,000	1991	1991
TOTAL	\$9,725,197	\$4,682,557		

[illegible]

TABLE 6 - PROJECT VALUES, REVENUES, AND COSTS

	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99
Acquire Wrecking Yard Prop.	0	0	0	0	796,404	0	0	0	0	0
TOTAL	0	1,584,000	354,000	354,000	1,150,404	1,229,593	549,000	354,000	354,000	989,460
Project Revenues										
Beginning Cash	0	62,264	958,075	1,067,393	1,231,034	651,621	27,675	118,162	459,448	817,890
TI Revenues	60,450	405,771	421,918	471,475	518,505	569,027	620,055	671,593	678,309	685,092
Bond Proceeds	0	2,000,000	0	0	0	0	0	0	0	0
Interest Earnings	1,814	74,041	41,400	46,166	52,486	36,619	19,432	23,693	34,133	45,089
Funds Available	62,264	2,542,075	1,421,393	1,585,034	1,802,025	1,257,268	667,162	813,448	1,171,890	1,548,071
Project Costs	0	1,584,000	354,000	354,000	1,150,404	1,229,593	549,000	354,000	354,000	989,460
End. Cash Bal.	62,264	958,075	1,067,393	1,231,034	651,621	27,675	118,162	459,448	817,890	558,611
Dbt. Svc. Reserve	0	353,258	374,454	396,921	420,736	445,980	472,739	501,103	531,170	563,040

URBAN RENEWAL DISTRICT

PLAN AMENDMENT

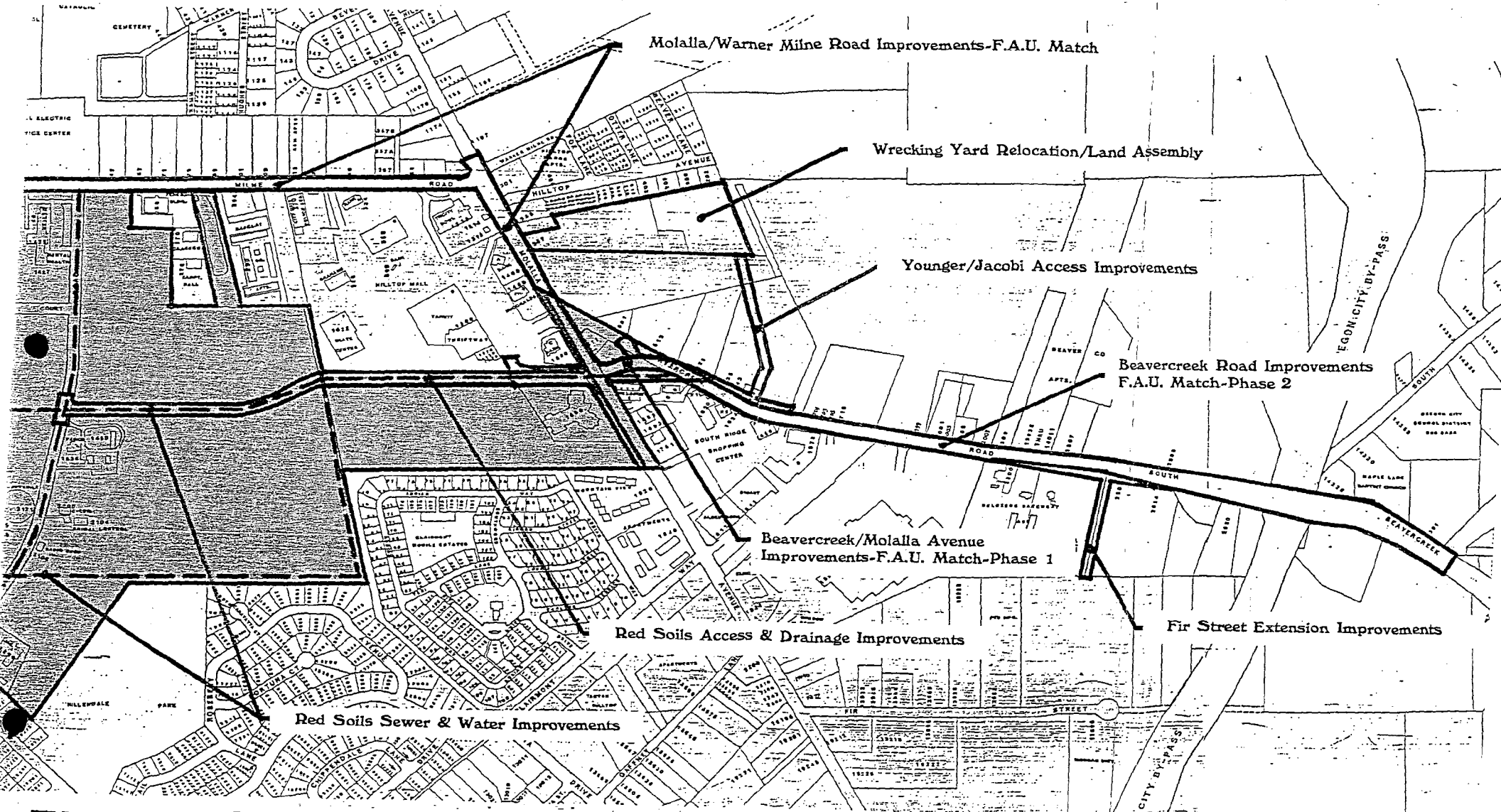


EXHIBIT 6

LOCATION OF PROJECT ACTIVITIES



CITY OF OREGON CITY
INCORPORATED 1844

COMMISSION MEMORANDUM

8P
February 26, 1990
DATE

Page 1 of 3

TO THE HONORABLE MAYOR AND COMMISSIONERS

Subject: March 14, 1990 Work Session
Urban Renewal Report

Memo No. 90-05

At the February 21 City Commission meeting, the Commission scheduled a work session for March 14 at 8:00 p.m. to go over the City's Urban Renewal program.

Background and Purpose:

The City of Oregon City established an Urban Renewal District in 1983 to implement a downtown improvement plan; encourage the retention of Clackamas County as a major employer in the City; and to maintain a healthy and diversified supply of goods, services and employment opportunity in the City.

The Renewal District was divided into two areas, a downtown area and a hilltop ("Red Soils") area. The primary objectives were to develop "Red Soils" into a campus industrial park and to consolidate County Offices from Red Soils and elsewhere to serve as an anchor for redevelopment downtown. The projects were to be financed by tax increment funds generated through added assessed valuation within the District.

Attached is a handout on the original projects along with boundary maps from the 1983 plan.

Organization:

The City's Urban Renewal Program is administered by a completely separate organization. The Urban Renewal Agency is the governing body and I am the Executive Officer. Since the Agency board is comprised of the same members as the City Commission there has been some confusion as to the independent funding and organizational structure of the Urban Renewal Agency. This confusion is slowly being clarified in the public's eye.

Financial Condition:

In the first six years of the District, little added value has occurred and only \$27,000 in tax increment revenue has been received. Realizing that added value needed to occur to move the original plan forward, the Urban Renewal Agency approved a boundary amendment and a series of projects that would begin to fulfill the original objectives.

Attached is a handout on the amendment projects along with an amendment boundary map.



CITY OF OREGON CITY

INCORPORATED 1844

COMMISSION MEMORANDUM

February 26, 1990
DATE

Page 2 of 3

TO THE HONORABLE MAYOR AND COMMISSIONERS

Subject: March 14, 1990 Work Session
Urban Renewal Report

Memo No. 90-05

Fiscal Year 1990-91 Program

1. Acquisition of 40 acres of Red Soils for a Business Park. This project will cost approximately \$1,750,000 and create 8, 5-acre sites for industrial development. Four firms, representing over \$9 million in investment and 300 new jobs, have already issued letters of intent to locate at Red Soils if the park is developed. This project requires the approval of the Board of County Commissioners to sell a portion of Red Soils to the Urban Renewal Agency, and a plan amendment to the District allowing the purchase to go forward.
2. Red Soils Access and Sewer, Water and Drainage Improvements. This project constructs an access road from Molalla Avenue to Kaen Road, adjacent and South of the Danielson Hilltop Mall. This project is estimated to cost approximately \$675,000. This project resolves the access constraints that have plagued Red Soils and opens up 12 additional acres owned by the Robert Randall Company for development.
3. Beavercreek Road/Molalla Avenue Intersection Realignment. This project is an integral part of the Red Soils Access project, in that the Beavercreek Road/Molalla Avenue intersection needs to be realigned to the South side of Stein Oil gas station in order to connect to the Red Soils Access Road. The realignment project is part of a much larger federal aid project that will eventually widen Beavercreek, Molalla and Warner-Milne Roads and construct the Warner-Parrott Realignment project.

This project will cost approximately \$1,100,000. \$300,000 will be provided as local match from Urban Renewal funds with the balance provided by Federal and County funds. This project uses right-of-way from the former Clairmont Club property purchased by the Renewal Agency in June of 1989. These funds will be used to pay off the property purchased from the City's Water Fund.



CITY OF OREGON CITY

INCORPORATED 1844

COMMISSION MEMORANDUM

February 26, 1990
DATE

Page 3 of 3

TO THE HONORABLE MAYOR AND COMMISSIONERS

Subject: March 14, 1990 Work Session
Urban Renewal Report

Memo No. 90-05

Attached are three exhibits illustrating the three projects.

JOHN G. BLOCK
Development Services Director

JGB:im

cc: Charles Leeson, Interim City Manager

SECTION 500 - PROJECT SCHEDULING AND COSTS

The project activities proposed to be provided by the Renewal Board within the Renewal District and the estimated costs and scheduling of such activities are shown as follows. Unless otherwise noted, each project will be completed in the year scheduled for funding:

<u>Tax Increment</u>	<u>Fiscal Year & Annual Project Activities</u>	<u>Estimated Project Cost</u>
<u>Year</u>		
B	(FY 1983-84)	
	1. Renewal Plan preparation	\$ 41,000
	2. Red Soils marketing program	30,000
	<i>TOTAL INDEBTEDNESS ACQUIRED =</i>	<i>71,000</i>
1	(FY 1984-85)	
	1. Administration*	5,000
	<i>TOTAL ANNUAL PROJECT COSTS =</i>	<i>\$ 5,000</i>
2	(FY 1985-86)	
	1. Rehab. Low Interest Loan (Program Setup)	\$ 5,500
	2. Awnings/business signs no interest loan program	27,000
	3. Downtown Historic Core Improvements: construction/design specifications	32,000
	4. Borrow \$65,000 short term note: Note payment 1 of 5	17,200
	5. Administration	15,000
	<i>TOTAL ANNUAL PROJECT COSTS =</i>	<i>\$ 96,700</i>
3	(FY 1986-87)	
	1. Rehab. loan program	\$ 15,000
	2. Downtown Historic Core Improvements: sidewalk/curbs	66,000
	3. Note payments 2 of 5	43,600
	4. Borrow \$100,000 short term note: note payment 1 of 5	
	5. Administration	21,500
	<i>TOTAL ANNUAL PROJECT COSTS =</i>	<i>\$166,100</i>

The Renewal Board's projects will be administered by the Board Administrator, be appointed by the City Commission. The Board Administrator will have broad project management, accounting and reporting functions and may, with the approval of the Board, bring in accountants, legal advisors, consultants and other experts to assist. A portion of the downtown manager's salary may be funded for direct project efforts. Administration costs will include staff time, office upkeep and overhead, support services, the required annual report, auditing, accounting, consultants, legal assistance, public coordination, loan servicing, preparing materials required for bond sales, public notice, etc.

4.	(FY 1987-88)	\$ 20,000
1.	Rehab. loan program	\$ 20,000
2.	Downtown Historic Core Improvements:	
	-landscaping	22,000
	-crosswalks/bollards	30,000
	-signal, 10th & Main	30,000
	-street furniture	20,000
3.	Note payments 3 of 5 and 2 of 5	43,600
4.	Administration	

TOTAL ANNUAL PROJECT COSTS = \$195,600

5	(FY 1988-89)	
1.	Rehab. loan program	\$ 25,000
2.	Riverfront Improvements: design/construction specifications	25,000
3.	Greater downtown Improvements: 20% match for transit center	180,000
4.	Note payments 4 of 5 and 3 of 5	43,600
5.	CD reimbursement	71,000
6.	Administration	35,000

(County acquires downtown site for new office facility)

TOTAL ANNUAL PROJECT COSTS = \$379,600

6	(FY 1989-90)	
1.	Rehab. loan program	\$ 28,000
2.	Historic Core Improvements: alleyways	45,000
3.	Riverfront Improvements: Phase I	113,000
4.	Anchor Development: County rehab. office facility, 1 of 12	180,000
5.	Note payments 5 of 5 and 4 of 5	45,600
6.	Administration	45,000

TOTAL ANNUAL PROJECT COSTS = \$454,600

7	(FY 1990-91)	
1.	Rehab. loan program	\$ 35,000
2.	Historic Core Improvements	
	-Railroad Avenue	72,000
	-elevator plaza	12,000
3.	Greater Downtown Improvements	
	-circulation & traffic flow	64,000
	-lighting, side streets & promenade	100,000
	-viewpoint/park/promenade extension	100,000
	-99E tunnel repair	8,000
	-billboard removal	20,000
	-bikepath, section 1	55,000
4.	Note payment 5 of 5	26,400
5.	Rehab. county office facility, 2 of 12	180,000
6.	Administration	55,000

TOTAL ANNUAL PROJECT COSTS = \$727,400

- 8 (FY 1991-92)
- | | |
|---|-----------|
| 1. Rehab. loan program | \$ 50,000 |
| 2. Riverfront Improvements: phase II | 250,000 |
| 3. Greater Downtown Improvements: | |
| -bikepath, section 2 | 105,000 |
| -underground utilities | 82,000 |
| 4. 8th Street dock (1/2) | 330,000 |
| 5. Rehab. county office facility, 3 of 12 | 180,000 |
| 6. Administration | 65,000 |

TOTAL ANNUAL PROJECT COSTS= \$1,062,000

- 9 (FY 1992-93)
- | | |
|---|-----------|
| 1. Rehab. loan program | \$ 50,000 |
| 2. 8th Street Dock (complete) | 330,000 |
| 3. Rehab. county office facility, 4 of 12 | 180,000 |
| 5. Administration | 75,000 |

TOTAL ANNUAL PROJECT COSTS= \$ 635,000

- 10 (FY 1993-94)
- | | |
|---|-----------|
| 1. Rehab. loan program | \$ 50,000 |
| 2. ~~Parking Structure~~ design, engineering construction | 400,000 |
| 3. Rehab. county office facility, 5 of 12 | 180,000 |
| 4. ~~Anchor Development~~ New county office bldg. (design & engineering) | 150,000 |
| 5. Administration | 75,000 |

TOTAL ANNUAL PROJECT COSTS = \$855,000

- 11 (FY 1994-95)
- | | |
|---|-----------|
| 1. Rehab. loan program | \$ 50,000 |
| 2. ~~Phase II Parking~~ 1/3 structure | 800,000 |
| 3. ~~Rehab. county office facility~~ - 6 of 12 | 180,000 |
| 4. ~~New county office bldg.~~ - 1/3 | 1,500,000 |
| 5. Administration | 75,000 |

TOTAL ANNUAL PROJECT COSTS= \$2,605,000

- 12 (FY 1995-96)
- | | |
|---|-----------|
| 1. Rehab. loan program | \$ 50,000 |
| 2. Historic Core, Phase I: 8th St. Plaza | 500,000 |
| 3. ~~Parking Structure, Phase II~~ - 2/3 (complete construction) | 1,700,000 |
| 4. ~~Rehab. county office facility~~ , - 7 of 12 | 180,000 |
| 5. ~~New county office bldg.~~ - 2/3 (complete construction) | 3,000,000 |
| 6. Bond payment, 1 & 2 of 16 | 850,000 |
| 7. Administration | 75,000 |

TOTAL ANNUAL PROJECT COSTS=\$ 6,355,000

- 13 (FY 1996-97)
- | | |
|--|-----------|
| 1. Rehab. loan program | \$100,000 |
| 2. Rehab. county office facility 8 of 12 | 180,000 |
| 3. Bond payment, 2, 3 & 4 of 16 | 1,275,000 |
| 4. Administration | 75,000 |

TOTAL ANNUAL PROJECT COSTS= \$1,630,000

- 14 (FY 1997-98)
- | | |
|--|-----------|
| 1. Rehab. loan program | \$100,000 |
| 2. Rehab. county office facility, 9 of 12 | 180,000 |
| 3. Anchor Development: Major employer/housing/
tourism site | 800,000 |
| 4. Bond payment 5, 6 & 7 of 16 | 1,275,000 |
| 5. Administration | 75,000 |

TOTAL ANNUAL PROJECT COSTS= \$2,430,000

- 15 (FY 1998-99)
- | | |
|---|-----------|
| 1. Rehab. loan program | \$100,000 |
| 2. Rehab. county office facility, 10, 11 &
12 of 12 | 540,000 |
| 3. Bond payment - close out bond through early
payment of 8 through 16 | 811,400 |
| 4. Administration | 75,000 |

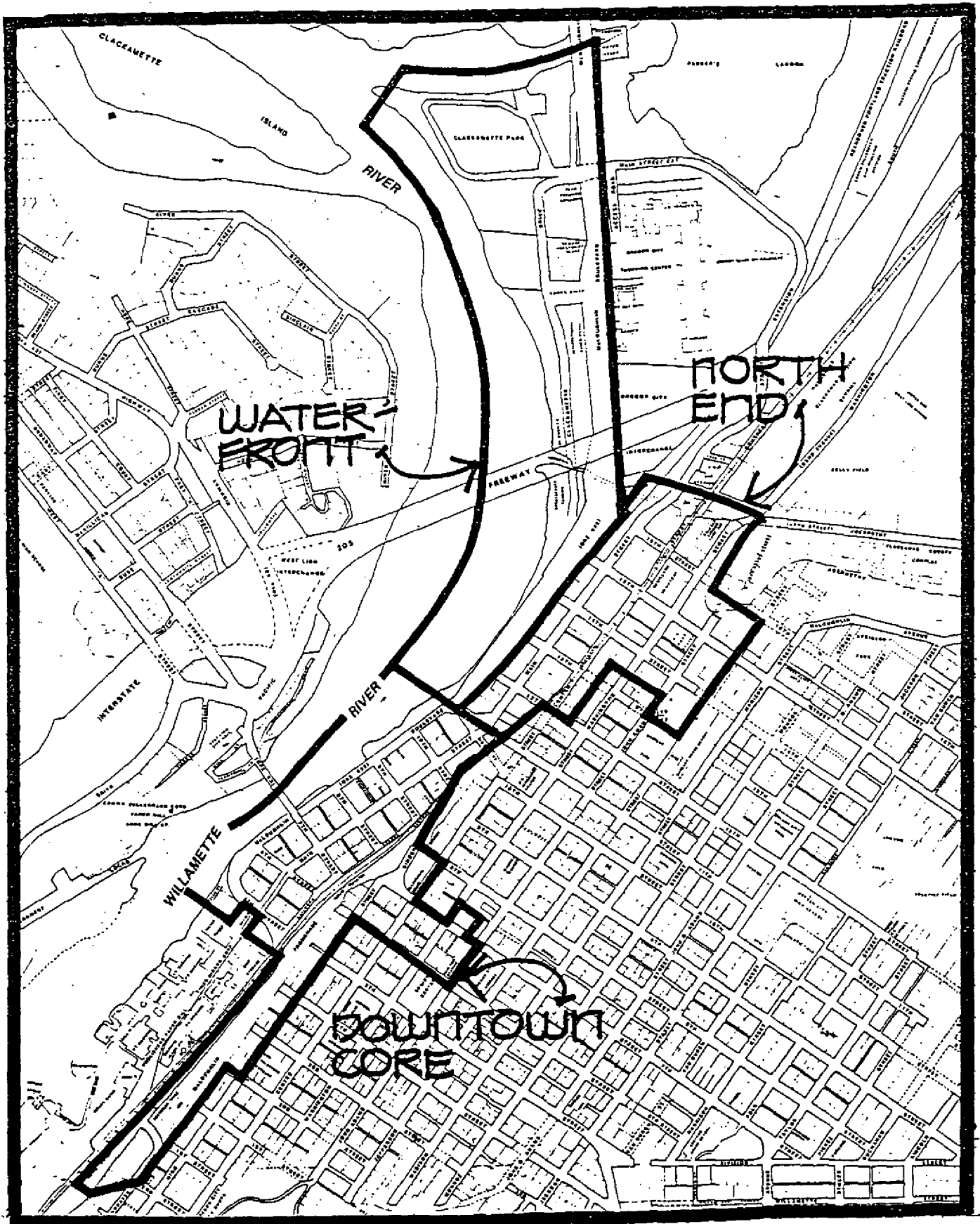
TOTAL ANNUAL PROJECT COSTS= \$3,526,400

Tax Increment Financing is expected to be terminated, after Year 15; however, administration will be necessary for a few years following to close out the projects and the district. After the projects are closed out, approximately \$303,700 of remaining revenue will be distributed to the taxing districts.

- 16 (FY 1999-2000)
- | | |
|-------------------|-----------|
| 1. Administration | \$ 75,000 |
|-------------------|-----------|
- 17 (FY 2000-2000)
- | | |
|-------------------|-----------|
| 1. Administration | \$ 50,000 |
|-------------------|-----------|
- 18 (FY 2001-2002)
- | | |
|-------------------|-----------|
| 1. Administration | \$ 25,000 |
|-------------------|-----------|

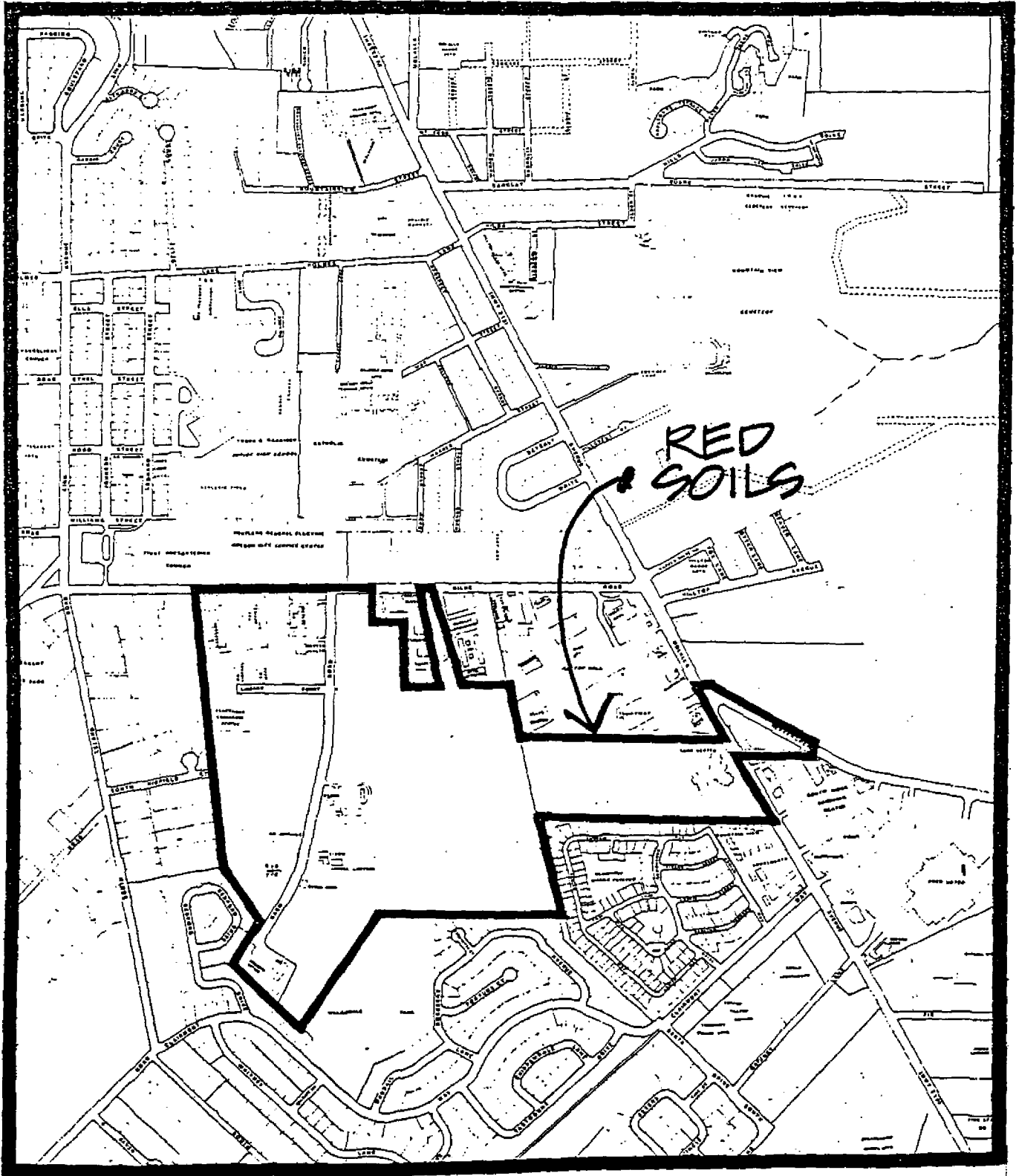
MAP 1

OREGON CITY DOWNTOWN RENEWAL DISTRICT SUB-AREAS.



MAP 1

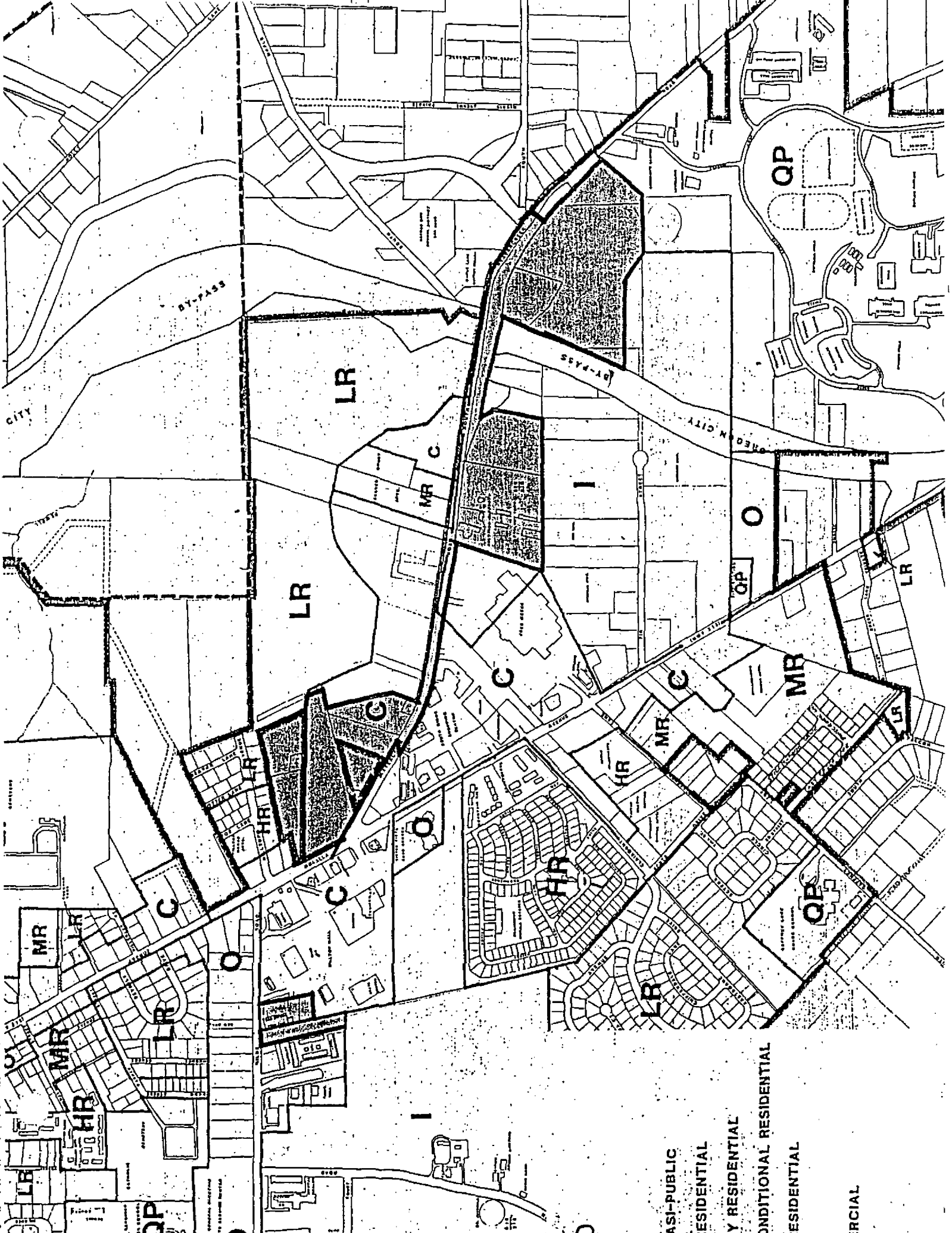
OREGON CITY DOWNTOWN RENEWAL DISTRICT SUB-AREAS.



OREGON CITY RENEWAL PLAN
FIRST AMENDMENT

Table 5
Cost and Timing of Project Activities

	<u>Total Cost</u>	<u>Project Share</u>	<u>Start Date</u>	<u>End Date</u>
Beavercreek Road Right of Way, Construction of street and Drainage	\$ 950,000	\$ 300,000	1991	1992
Red Soils Access Improvements Construction of Street and Drainage Improvements	675,000	675,000	1991	1992
Sewer & Water Improvements	876,500	258,000	1991	1992
Fir St., Beavercreek Rd. Frontage Right of Way, Construction of Street and Drainage Improve.	450,000	450,000	1994	1995
Younger/Jacoby Access, and Beavercreek Road Improvements Right of Way, Construction of Street and Drainage Improve.	620,493	620,493	1995	1996
Beavercreek Road Phase 2 Local Match of FAU Funds	2,029,800	304,470	1998	1999
Warner-Milne Road Improvements Right of Way, Construction of Street and Drainage Improve. Local Match of FAU Funds	2,206,000	330,990	1998	1999
Acquire Wrecking Yard Property	796,404	796,404	1994	1995
Interest Costs, 1991 Bond	773,000	773,000	1991	1999
Costs of Bond Issue	348,000	174,000	1991	1991
TOTAL	\$9,725,197	\$4,682,557		



- ASI-PUBLIC
- RESIDENTIAL
- Y RESIDENTIAL
- ONDITIONAL RESIDENTIAL
- RESIDENTIAL
- ERCIAL

TABLE 6 - PROJECT VALUES, REVENUES, AND COSTS

	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99
Beginning True Cash Value	975,000	984,750	6,949,558	17,225,103	24,618,854	27,743,543	30,798,478	33,984,963	37,203,312	40,453,846
New Values										
Berryhill Land	0	2,046,000	0	0	0	0	0	0	0	0
Berryhill Construction	0	3,850,000	7,150,000	0	0	0	0	0	0	0
Barclay Square	0	0	405,000	0	0	0	0	0	0	0
Randall Business Park	0	0	1,250,000	3,750,000	0	0	0	0	0	0
Red Soils Land Value	0	0	1,300,000	0	350,000	350,000	350,000	350,000	350,000	0
Red Soils Construction	0	0	0	3,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	0
Bennett Property	0	0	0	400,000	0	0	0	0	0	0
Parker Property	0	0	0	0	1,500,000	0	0	0	0	0
Epperson & City Hall	0	0	0	0	0	1,400,000	0	0	0	0
Younger/Jacoby Land Sale	0	0	0	0	0	0	1,500,000	0	0	0
Belozer Property	0	0	0	0	0	0	0	1,500,000	0	0
Younger/Jacoby Develop.	0	0	0	0	0	0	0	0	1,500,000	0
Land & Bldg Added	0	5,896,000	10,105,000	7,150,000	2,850,000	2,750,000	2,850,000	2,850,000	2,850,000	0
Tax Revenue										
Tax Rate	\$32.50	\$32.50	\$32.50	\$32.50	\$32.50	\$32.50	\$32.50	\$32.50	\$32.50	\$32.50
TI Generated	31,688	223,624	554,273	792,191	892,738	991,040	1,093,576	1,197,136	1,301,733	1,314,750
TI Collect @95.0	29,469	207,971	515,474	736,737	830,246	921,667	1,017,025	1,113,337	1,210,611	1,222,717
Project Costs										
Debt Svc- Bond 1	0	316,000	316,000	316,000	316,000	316,000	316,000	316,000	316,000	316,000
Bond Issue Costs	0	156,000	0	0	0	0	0	0	0	0
Loan Payments	0	0	0	0	0	0	0	0	0	0
Capital Projects										
Beavercreek Road - Phase 1										
ROW Acquis. & Construction	0	300,000	0	0	0	0	0	0	0	0
Red Soils Access										
ROW Acquis. & Construction	0	675,000	0	0	0	0	0	0	0	0
Acquisition of Red Soils	0	1,750,000	0	0	0	0	0	0	0	0

TABLE 6 - PROJECT VALUES, REVENUES, AND COSTS

	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99
<u>Fir St., Beav. Rd. Frontage</u>										
ROW Acquis. & Construction	0	0	0	0	0	450,000	0	0	0	0
<u>Younger/Jacoby Access Imp.</u>										
ROW Acquis. & Construction	0	0	0	0	0	425,593	195,000	0	0	0
<u>Beavercreek Road Phase 2</u>										
Local Match of FAU funds	0	0	0	0	0	0	0	0	0	304,470
<u>Acquire Wrecking Yard Prop.</u>	0	0	0	0	796,404	0	0	0	0	0
TOTAL	0	3,197,000	316,000	316,000	1,112,404	1,191,593	511,000	316,000	316,000	620,470
<u>Project Revenues</u>										
Beginning Cash	0	30,353	200,274	421,220	876,697	1,006,247	1,978,659	2,935,054	4,214,343	5,632,203
TI Revenues	29,469	207,971	515,474	736,737	830,246	921,667	1,017,025	1,113,337	1,210,611	1,222,717
Short-Term Loan	0	0	0	0	0	0	0	0	0	0
Land Sale Proceeds	0	1,300,000	0	0	350,000	1,150,000	350,000	350,000	350,000	0
Bond Proceeds	0	1,760,000	0	0	0	0	0	0	0	0
Interest Earnings	884	98,950	21,472	34,739	61,708	92,337	100,371	131,952	173,249	205,648
Funds Available	30,353	3,397,274	737,220	1,192,697	2,118,651	3,170,252	3,446,054	4,530,343	5,948,203	7,060,568
Project Costs	0	3,197,000	316,000	316,000	1,112,404	1,191,593	511,000	316,000	316,000	620,470
End. Cash Bal.	30,353	200,274	421,220	876,697	1,006,247	1,978,659	2,935,054	4,214,343	5,632,203	6,440,098
Dbt. Svc. Reserve	0	315,973	334,932	355,028	376,329	398,909	422,844	448,214	475,107	503,613

1-806



RED SOILS BUSINESS PARK
OREGON CITY URBAN RENEWAL AGENCY

WARNER ROAD

MILNE ROAD

HILLTOP ROAD

MOLALLA ROAD

HILLTOP MALL

VARIETY

THRIFTWAY

CLACKAMAS CHALLENGE CENTER

CITY SEWER

INTAKE SEWER

RED SOILS ACCESS ROAD

BEAVER CREEK MOLALLA REACHES PROJECT

NEW DANIELSON INTERSECTION PROJECT

CLAIMANT MOBILE ESTATES

CLAIMANT

JAIL RESERVE

LEWIS STATION

next map page 26

RESERVE FOR POSSIBLE OFFICE CONSOLIDATION

AVAILABLE FOR SALE

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3 4.30

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RESERVE FOR POSSIBLE OFFICE CONSOLIDATION

AVAILABLE FOR SALE
\$1,750,000

CITY OF OREGON CITY

Incorporated 1844

Dated

December 19, 1990

REPORT

Page 1 of 1

Subject: Downtown/Northend Urban
Renewal Plan Adpoption

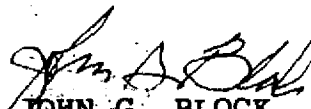
Report No. 90-42

A special meeting was called for Wednesday, December 19, 1990 at approximately 7:30 p.m. following a South Fork Water Board meeting. The meeting is to consider the adoption of the Downtown/Northend Urban Renewal Plan.

The final public hearing on the Plan was held on December 12, 1990. Several changes to the Plan and Report were made based on public testimony. These changes included:

- 1) Changing the name of the Plan from Downtown/End of the Trail to Downtown/Northend Urban Renewal Plan.
- 2) Deleting the Washington Street traffic diversion project and instead adding the Washington Street corridor to the Streetscape, facade and building rehabilitation project activity.
- 3) Add reference to Clackamas County participation in the various road improvement projects.

The final version of the Plan and Report is included in the City Commission packet. Please review and be ready to approve with a recommendation for the City Commission to adopt.


JOHN G. BLOCK
Executive Director

JGB:im

cc: Charles Leeson, City Manager
Charles Kupper, John Spencer, Project Consultants

URBAN RENEWAL AGENCY