

SPECIAL CITY COUNCIL WORKSHOP OF THE CITY OF REDMOND WAS HELD DECEMBER 1, 2020, VIA GOTOMEETING.

COUNCIL MEMBERS PRESENT: Jon Bullock – Krisanna Clark-Endicott – George Endicott – Camden King – Ginny McPherson – Jay Patrick

MEDIA PRESENT: None

Mayor Endicott called the workshop to order at 6:00 p.m.

PRESENTATIONS

A. Current Events

There were no items to report.

B. South 97 Urban Renewal District Pre-Approval Informational Briefing

Urban Renewal Program Manager Chuck Arnold provided the Council with some context on the Urban Renewal Agency and its role in improving blighted properties. Mr. Arnold provided a historical background that has led to the proposed establishment of a South 97 Urban Renewal District.

Urban Renewal Program Analyst Meghan Gassner introduced Downtown Urban Renewal Advisory Committee (DURAC) Chair Kathryn Osbourne, Chief Financial Officer Jason Neff, City Engineer Mike Caccavano, and Redmond Fire & Rescue Fire Chief Ken Kehmna.

The 1,330 acre South 97 Urban Renewal District (District), which would have a maximum indebtedness of \$85 million, would extend from south from Veterans Way to the Yew Avenue interchange and west from the railroad tracks to Canal Boulevard and includes the recently annexed South Redmond Tract. The District is being proposed because of the following priorities:

Infrastructure

- Implement infrastructure that is either missing or inadequate for our needs Infrastructure.
- currently 1,000 acres of jobs/employment lands that have no existing infrastructure.
- Without the infrastructure and the Urban Renewal financial support, the land will remain unused.

Safety Needs

- Proposed improvements to US Highway 97
- Fire Station to service south Redmond

Funding

- Leverage state and federal funding that cannot be obtained through other funding avenues to implement the needed infrastructure and safety projects.

Rebuilding the South Highway 97 corridor is anticipated to cost \$50-70 million, but is critical for improving safety, accessibility, freight mobility, neighborhood connectivity, and economic vitality. In addition to the corridor project, primary investments will be utilities and infrastructure, a fire station, and business/property development programs.

Ms. Gassner explained the impact on the taxing jurisdictions. For the City, the impact equates to a frozen property tax base of \$653,000, foregone revenue over the life of the district (25 years) of \$17 million, and a projected annual property tax of \$3.9 million once the District sunsets. City Manager Keith Witcosky commented on Deschutes County's request for the City to delay activating the District for one year. He stated that Deschutes County's portion for that one year is \$21,000, which is a small amount compared to the ability to move forward with investment in the corridor.

The South Airport Urban Renewal District and the Downtown Urban Renewal District are both successful examples of the impacts of Urban Renewal. The South Airport Urban Renewal District has grown from a base of \$725,000 to \$63 million with a growth rate of 87 times the starting base. The Downtown Urban Renewal District with a current base of \$305 million has a growth rate of 4 times the starting base of \$72 million. Ms. Osbourne reiterated the success of the Downtown Urban Renewal District and on behalf of DURAC, voiced her support for the proposed South 97 Urban Renewal District.

Ms. Gassner discussed the efforts made to engage taxing district partners, community groups, and stakeholder groups. Groups in support of the District are High Desert ESD, Library District, Redmond Park and Recreation District (RAPRD), Deschutes County Rural Fire Protection District, Deschutes County, and the Redmond School District. Concerns raised by stakeholder groups are as follows:

- The financial impact which was addressed by describing the potential for economic vitality in this area and its benefit to Redmond and the entire region.
- Department of State Lands assisted in clarifying the role of the South Redmond tract land and how that fits in with the state's Large Lot Industrial Program.
- Deschutes County's request to delay the district revenue collection of their share for one year.

Ms. Gassner read an email received from citizen Cecelia Bryant and addressed these concerns by stating this Urban Renewal District will have no effect on taxpayers and it will not raise taxes. Rather the potential revenue dedicated to the overlapping taxing districts will be redirected to the District and allocated to the projects identified in the plan. In addition, the Transportation System Plan will build improvements around the Fairgrounds and the District will provide matching funds to create those projects. Improvements include a roundabout at SE19th Street and Airport Way in the next few years and an overpass at Quarry likely out ten years or more.

In response to comments from Mayor Endicott regarding the Urban Renewal line on the property tax statement, Mr. Witcosky explained that the money designated for Urban Renewal would otherwise go to other taxing districts (City of Redmond, Deschutes County, etc.). These taxing districts will receive less money in the short term but in the long term, they will receive more money than they otherwise would have, and the improvements benefit them as well.

Councilor Bullock asked Ms. Gassner to categorize the opposition received regarding the plan for this District. In response, she stated Deschutes County and the Deschutes County Sheriff's Office would have preferred the use of other funding mechanisms rather than Urban Renewal. Mr. Witcosky elaborated by saying that Commissioner DeBone disagreed with the use of Urban Renewal money for infrastructure development like the proposed new fire station and that he questioned whether this area would develop on its own without Urban Renewal. Mr. Witcosky addressed the RAPRD's request for some park space and that ultimately it was decided that a heavy industrial area might not be the best location for a park.

Councilor Bullock asked about the proposed fire station, the \$4.5 million designated in the City's budget for it, and what the fire district is doing to provide additional funding to get it built. Chief Kehmna responded by saying that there are several steps involved, the first of which is to determine the best location, which they believe to be within this District based on calls volume. Chief Kehmna added that the next key step is timing and that acquiring property for the fire station will likely involve a bond for the property purchase and preparation as well as the remainder of funds needed for construction of the building, staffing, and other start-up needs. Chief Kehmna said this is likely a couple of years out.

Councilor Bullock asked when the general public will be able to see the first signs of improvement in the proposed District. Ms. Gassner stated the Oregon Department of Transportation (ODOT) has a strict road repair schedule and that particular section of South Highway 97 is slated for repair in three to five years. Staff are working with ODOT on timing, so improvements are completed prior to the road repair by ODOT.

OTHER BUSINESS

There being no further business, the workshop was adjourned at 6:43 p.m.

Prepared by Kelly Morse, City Recorder

APPROVED by the City Council and SIGNED by the Mayor this 8th day of June 2021.

/s/ George Endicott
George Endicott, Mayor

ATTEST:

/s/ Kelly Morse
Kelly Morse, City Recorder