



**JOINT MEETING
REDMOND CITY COUNCIL /
DOWNTOWN URBAN RENEWAL ADVISORY COMMITTEE**

February 22, 2022

Virtual Meeting • www.redmondoregon.gov/CityCouncilLive

**COUNCIL
MEMBERS**

George Endicott
Mayor

Jay Patrick
Council President

Krisanna
Clark-Endicott
Councilor

Clifford Evelyn
Councilor

Ed Fitch
Councilor

Shannon Wedding
Councilor

Cat Zwicker
Councilor

FEBRUARY 22, 2022

MEETING AGENDA

6:00 PM

I. CALL TO ORDER / ESTABLISH A QUORUM

II. MINUTES

A. Minutes of October 26, 2021, Agency Board Meeting

III. PRESENTATIONS

A. Downtown Urban Renewal Advisory Committee 2022-23 Work Plan
Priorities

IV. ACTION ITEMS

A. URA Resolution #2022-01 - A resolution approving the Twentieth
Amendment to the Redmond Downtown Urban Renewal Plan.

V. ADJOURN

Regular Council meetings are broadcast live on COTV11 – BendBroadband Channel 11 beginning at 6:00 p.m. on the 2nd and 4th Tuesdays of each month. Rebroadcasts are scheduled for the non-meeting Tuesdays at 6:00 p.m.

The City of Redmond encourages all citizens to participate in its programs and activities. This meeting location is accessible to people with disabilities. Requests for accommodation may include sign language interpreter service, assistive listening devices, materials in an alternate format or any other accommodation. If any accommodations are needed, please contact the ADA Coordinator at 541-504-3036 or access@redmondoregon.gov. Requests should be made as soon as possible, but at least 3 business days prior to the scheduled meeting.

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SPECIAL CITY OF REDMOND URBAN RENEWAL DISTRICT AGENCY BOARD MEETING WAS HELD OCTOBER 26, 2021, VIA GOTOMEETING.

BOARD MEMBERS PRESENT: Krisanna Clark-Endicott – George Endicott – Clifford Evelyn – Ed Fitch – Jay Patrick – Shannon Wedding

BOARD MEMBERS EXCUSED: Jon Bullock

STAFF PRESENT: City Manager Keith Witcosky – City Attorney Keith Leitz – Deputy City Manager John Roberts – Airport Director Zachary Bass – Police Chief Dave Tarbet – Public Works Director Bill Duerden – City Recorder Kelly Morse – CIS Administrator Sheri Cleveland – Chief Financial Officer Jason Neff – Accounting and Financial Reporting Director Brooks Slyter – Urban Renewal Program Manager Chuck Arnold – Urban Renewal Program Analyst Meghan Gassner – Parks Planner and Project Manager Maria Ramirez

MEDIA PRESENT: None

Chair Endicott called the meeting to order at 6:50 p.m. A quorum was established.

MINUTES

A. Minutes of June 22, 2021, Special Urban Renewal Agency Board Meeting

Clark-Endicott moved, seconded by Fitch, to approve the minutes, motion passed. (Bullock-absent, Clark-Endicott-yes, Endicott-yes, Evelyn-yes, Fitch-yes, Patrick-yes, Wedding-yes)

PRESENTATIONS

A. 4th Quarter Financial Report

Chief Financial Officer Jason Neff provided the Board with a 4th quarter financial overview noting that the maximum indebtedness of the Urban Renewal Plan is \$121 million with \$48 million already spent. The Key financial highlights included the following:

- The assessed value of property tax increment is up \$197,000 over budget.
- The cost of the parking lots on the old City Hall property and at 4th Street and Evergreen Avenue was \$1.5 million.
- Midtown Place received \$653,000 for workforce housing development.
- Medical Building expansion received loan funding in the amount of \$69,000.

Mr. Neff shared statistics from tax increment collections.

ACTION ITEMS

A. \$245,430 loan to Arome Holdings LLC for improvements to the Arch Building at 432 SW 6th St.
Purpose: Residential housing.

Urban Renewal Programs Analyst Meghan Gassner requested authorization of a \$245,430 loan agreement with Arome Holdings, LLC. The loan will support the residential phase (Phase 2) of the Arch Building rehabilitation project located at 432 SW 6th Street.

Property owner Nathan Bell provided a brief update on current construction taking place, noting they are hoping to open right after Thanksgiving. Mr. Bell explained that the residential phase will create six 1 bedroom/1 bath apartments and two studio apartments, all approximately 450 square feet. The total project cost for Phase 2 is \$865,430.

Downtown Urban Renewal Advisory Committee member Tobias Colvin explained the DURAC Finance Subcommittee thoroughly reviewed the application and had a lengthy discussion to insure it made sense for an urban renewal investment.

DRAFT

Ms. Gassner explained this is not a forgivable loan so the funds will come back to the Agency for reinvestment.

Staff address questions and concerns from the Board regarding recouping the investment in the event of default and loan terms.

Clark-Endicott moved, seconded by Patrick, to authorize the City Manager to enter into a loan agreement of up to \$245,430 with Arome Holdings LLC for the Phase 2 residential renovation of the Arch Building property at 432 SW 6th St, motion passed. (Bullock-absent, Clark-Endicott-yes, Endicott-yes, Evelyn-yes, Fitch-yes, Patrick-yes, Wedding-yes)

OTHER BUSINESS

A. Downtown Update

Ms. Gassner and Mr. Arnold provided the Board with a brief update on development activity occurring throughout downtown.

There being no further business, the meeting was adjourned at 7:37 p.m.

Prepared by Kelly Morse, City Recorder

APPROVED by the Board and SIGNED by the Chair this 22nd day of February 2022.

George Endicott, Chair

ATTEST:

Kelly Morse, City Recorder



DURAC WORK PLAN PRIORITIES 2022-23

REDMOND URBAN RENEWAL AGENCY BOARD
FEBRUARY 22, 2022



2022-23 HIGH PRIORITY PROJECTS

SLIDE / 2



FAMILY ACTIVITIES & AMENITIES

Seek opportunities to attract family-focused activity centers and partner with private sector.



HOUSING

Attract diverse housing types

Adjust incentive program to diversify housing types.



SITE CONTROL

Identify and acquire underutilized properties to stimulate redevelopment.

Build portfolio of diverse properties.



FAMILY ACTIVITIES & AMENITIES

POTENTIAL ATTRACTORS:

- Bowling center
- Trampoline park
- Skating rink
- Climbing gym
- Laser tag
- Indoor golf
- Arcade
- Teen flex space



FAMILY ACTIVITIES & AMENITIES

SLIDE / 4

POTENTIAL ATTRACTORS:

- Bowling center
- Trampoline park
- Skating rink
- Climbing gym
- Laser tag
- Indoor golf
- Arcade
- Teen flex space

REDEVELOPMENT OPPORTUNITY FUND:

- Gap financing
- Acquisition
- Partnerships with private owners and developers

PLAN TOTAL: \$22.6MM

REMAINING: \$17.3MM

76%



DOWNTOWN HOUSING DEVELOPMENT

SLIDE / 5

ASSESS OPPORTUNITIES TO ATTRACT DIVERSE HOUSING TYPES

- *Cottage clusters*
- *Dorm-style*
- *Mixed-use*

ADJUST DEVELOPER INCENTIVE PROGRAM TO DIVERSIFY HOUSING TYPES





DOWNTOWN HOUSING DEVELOPMENT

SLIDE / 6

ASSESS OPPORTUNITIES TO ATTRACT DIVERSE HOUSING TYPES

- *Cottage clusters*
- *Dorm-style*
- *Mixed-use*

ADJUST DEVELOPER INCENTIVE PROGRAM TO DIVERSIFY HOUSING TYPES

HOUSING DEVELOPMENT OPPORTUNITY FUND:

- Gap financing
- Public amenities
- Low interest loan
- SDC Buydown Program

PLAN TOTAL: \$10.3MM
REMAINING: \$8.3MM

81%





PROPERTY SITE CONTROL

SLIDE / 7

**IDENTIFY AND ACQUIRE
UNDERUTILIZED
PROPERTIES TO
STIMULATE
REDEVELOPMENT**

**BUILD PORTFOLIO OF
DIVERSE PROPERTIES**

**MULTIPLE URBAN
RENEWAL FUNDS
AVAILABLE**



A wide-angle photograph of a town street in Redmond, New Mexico. In the foreground, an American flag is partially visible on the left. A large, ornate metal archway spans the street, featuring the word "REDMOND" in gold letters and "EST. 1910" on either side. In the background, there are brick buildings, including one with a vertical sign that says "HOTEL". The street is paved and has some traffic lights visible in the distance.

QUESTIONS?



CITY OF REDMOND

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REDMOND, OR 97756
541.923.7710
FAX: 541.548.0706
info@redmondoregon.gov
redmondoregon.gov

STAFF REPORT

DATE: February 22, 2022
TO: Redmond Urban Renewal Agency
THROUGH: Keith Witcosky, City Manager
John Roberts, Deputy City Manager
FROM: Chuck Arnold, Economic Development/Urban Renewal Program Manager
SUBJECT: URA Resolution #2022-01 - A resolution approving the Twentieth Amendment to the Redmond Downtown Urban Renewal Plan.

Addresses Council Goal:

9. Urban Renewal: Invest resources to encourage new business investment in designated blighted areas that will grow the job base and strengthen and diversify the tax base of the area.

- Advance objectives of the Downtown Urban Renewal Plan to maintain the vitality of the downtown core; provide sufficient parking; make productive use of land; create opportunities for new development; relieve traffic problems and improve pedestrian safety; and provide new public amenities and open spaces.
- Invest in infrastructure projects that make a demonstrable, positive impact on job creation and encourage private investment.

Report in Brief:

This item requests the Redmond Urban Renewal Agency Board (Board) approve Resolution No. 2022-01. The Resolution removes the Downtown Urban Renewal Plan (Plan) End Date and would constitute the Twentieth Amendment to the Plan.

Background:

In 2011, the Board adopted the Twelfth Amendment to the Plan, which added a Plan End Date. The reason for inserting an End Date was to provide a date on which Overlapping Taxing Districts (OLTDS) could anticipate with certainty receiving the growth in tax dollars from formation of the Downtown Urban Renewal District (DURD).

A change in the State law governing Urban Renewal, called Revenue Sharing, was established around the same time. Revenue Sharing achieved the same objective as a Plan End Date, but had immediate results. Revenue Sharing created a scenario where the OLTDS benefitted each year from the tax growth in an Urban Renewal District, instead of having to wait for an Urban Renewal District to sunset. This change effectively made Plan End Dates obsolete.

For the DURD, the existing 2031 Plan End Date limits project investments by about two-thirds. No projects can be financed or funded beyond the end date, thus winding down the DURD in approximately nine years. Removing the Plan End date and continued Revenue Sharing would extend the life of the DURD and allow for more strategic investments.

The Downtown Urban Renewal Advisory Committee recommended approval of the Amendment at the January 10, 2022, meeting.

Discussion:

Retaining the Plan End Date will limit the resource capacity or indebtedness of the DURD; 'indebtedness' is the "credit card limit" capacity available for project investments. Removing the Plan End Date can enable more projects to be funded and leverage to enhance the DURD.

Fiscal Impact:

Removing the Plan End Date allows the work on the original DURD Plan projects to continue, and up to \$67 million of indebtedness would be available for investment. If the Plan End Date remains, about \$22 million in indebtedness would

be available for investment. Staff analysis shows this action will have a cost-neutral long-term financial impact for OLTDS based on historical DURD performance.

Alternative Courses of Action:

1. Adopt Resolution #2022-01, amending the Redmond Downtown Urban Renewal Plan.
2. Request more information.
3. Do not amend the Plan.

Recommendation / Suggested Motion:

"I move to adopt URA Resolution No. 2022-01, amending the Redmond Downtown Urban Renewal Plan by removing the Plan End Date."

**REDMOND URBAN RENEWAL AGENCY
URA RESOLUTION NO. 2022-01**

A RESOLUTION APPROVING THE TWENTIETH AMENDMENT TO THE REDMOND DOWNTOWN URBAN RENEWAL PLAN.

WHEREAS, the Redmond Urban Renewal Agency (Agency) has prepared and proposed for approval the Twentieth Amendment (Amendment) to the Downtown Urban Renewal Plan (Plan); and

WHEREAS, the Plan Amendment has been prepared in conformity with the requirements of Oregon Revised Statutes 457 and the applicable provisions of the Plan itself; and

WHEREAS, the Plan Amendment is undertaken pursuant to the Plan, Section 1000 (A)(2) – Minor Amendments which states “Changes to the Plan which are not specifically identified as requiring a Substantial Amendment.”; and

WHEREAS, the Plan includes an End Date of 2031 that limits reaching the bonding and investment capacity thus reducing the projects originally envisioned in the Plan; and

WHEREAS, the Agency Board has considered the proposed Amendment to remove the Plan End Date, conducted a public meeting, and is now ready to approve the Amendment, based on the findings set forth herein:

Section 1. Findings. In support of its approval and adoption of the Twentieth Amendment to the Plan, the Agency Board adopts the following findings and conclusions:

- 1.) In order to achieve the objectives outlined in the Plan as well as the goals and objectives in the Redmond 2040 Comprehensive Plan, the Agency has determined it is necessary to amend the Plan to remove the Plan End Date and thereby enabling the projects in the Plan to be completed.
- 2.) The proposed minor amendment of the Plan is economically sound and feasible.
- 3.) In accordance with Section 1000.A.2 (as amended on April 12, 2011) of the Plan, minor changes to the Plan not specifically identified as requiring a Substantial Amendment shall be made with a Minor Amendment by a duly approved resolution of the Agency.

NOW, THEREFORE BE IT RESOLVED by the Redmond Urban Renewal Agency resolves as follows: The Agency Board hereby approves the Twentieth Amendment to the Redmond Downtown Urban Renewal Plan, removing the Plan End Date. The text of

the Twentieth Amendment to the Plan, are adopted as appended hereto and marked as Exhibit A.

EFFECTIVE DATE OF RESOLUTION: This Resolution shall take effect immediately upon adoption by the Agency Board.

ADOPTED by the Board of the City of Redmond Urban Renewal Agency and **SIGNED** by the Chair this 22th day of February 2022.

CITY OF REDMOND URBAN RENEWAL AGENCY

By: _____
George Endicott, Chair

ATTEST:

By: _____
Kelly Morse, City Recorder

EXHIBIT A

TWENTIETH AMENDMENT TO THE REDMOND DOWNTOWN URBAN RENEWAL PLAN

SUMMARY OF TWENTIETH AMENDMENT:

This Twentieth Amendment to the Downtown Urban Renewal Plan (Plan) for the City of Redmond is undertaken pursuant to the Plan, Section 1000 (A)(2) – Minor Amendments which states “Changes to the Plan which are not specifically identified as requiring a Substantial Amendment, or a Minor Amendment requiring Council Approval.”

This Amendment makes the following changes to the Plan:

- Removes Section 1100 – Latest Date For Issue Of Bonded Indebtedness

TEXT OF TWENTIETH AMENDMENT

The TWENTIETH Amendment to the Downtown Urban Renewal Plan proposes the removal of Section 1100 as shown below.

~~1100. LATEST DATE FOR ISSUE OF BONDED INDEBTEDNESS~~

~~This Urban Renewal Plan calls for a division of ad valorem taxes under ORS 457.440. No bonded indebtedness shall be issued with respect to the Plan, or any project undertaken with respect to the Plan later than June 30, 2031.~~



DOWNTOWN URBAN RENEWAL DISTRICT EXTENDING INVESTMENT BEYOND PLAN'S 'END DATE'

REDMOND URBAN RENEWAL AGENCY BOARD
FEBRUARY 22, 2022



TOPICS



PLAN END DATE
PURPOSE/LEGISLATIVE
HISTORY



REVENUE SHARING
NEXUS TO PLAN END
DATES



TAXING DISTRICT
PARTNERS
OUTREACH



RECOMMENDED ACTION:
EXTEND INVESTMENT THROUGH
REMOVAL OF END DATE



LEGISLATIVE HISTORY OF PLAN END DATES — AND REVENUE SHARING

01

STATEWIDE NEGOTIATED CHANGES TO ORS 457

- Revenue sharing
- End date no longer needed



02

WHY: ELIMINATE '30- YR' WAIT ON GROWTH RETURNED

- Return on investment 10 years sooner



03

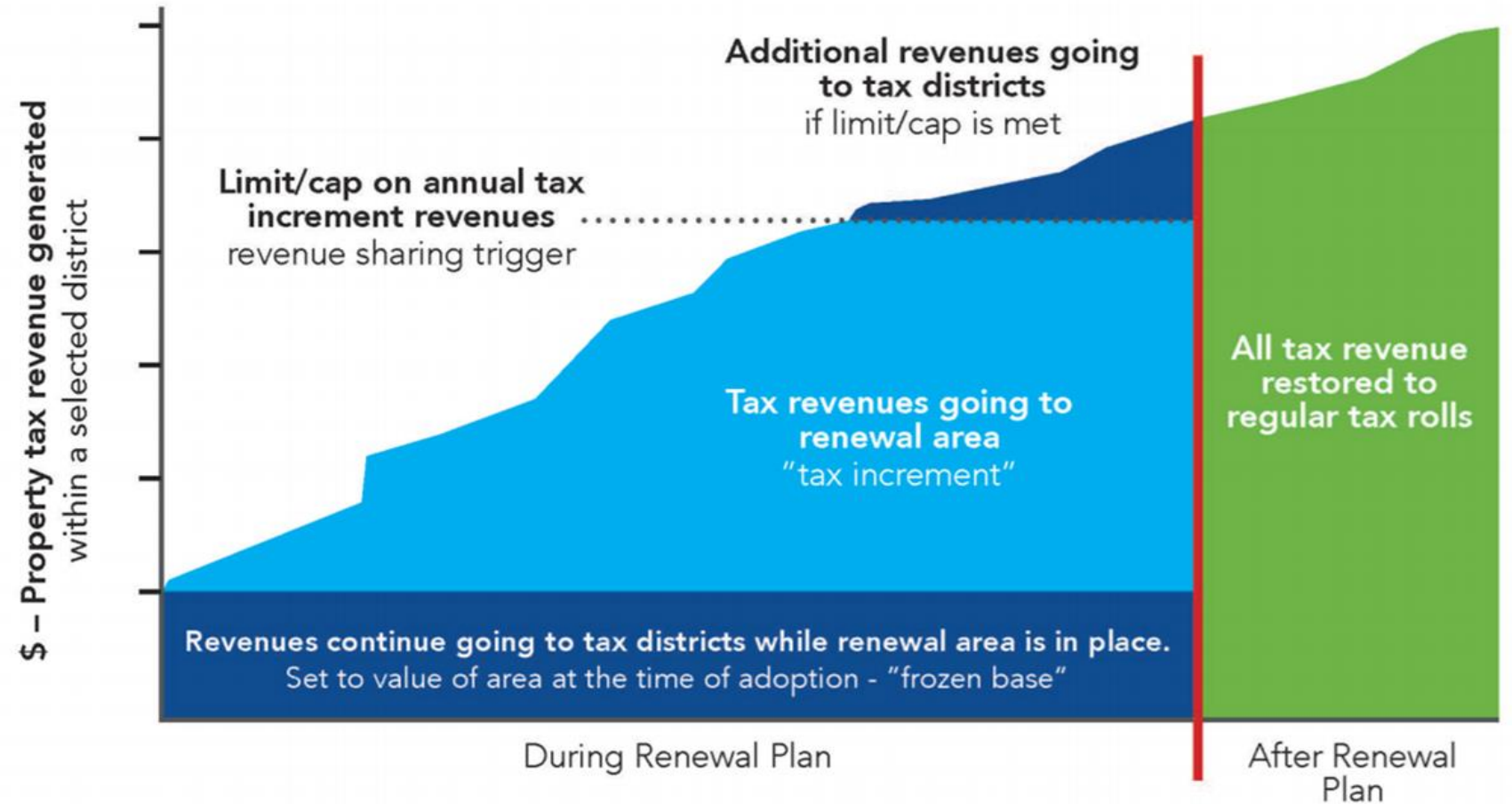
2022 – PROPOSED MINOR AMENDMENT

- Remove Plan end date to maximize resources and continue investments





Visualizing Tax Increment Financing



HOW TIF WORKS



WHAT IS REVENUE SHARING?



Successful Urban Renewal Districts are required to share tax revenues with overlapping taxing districts

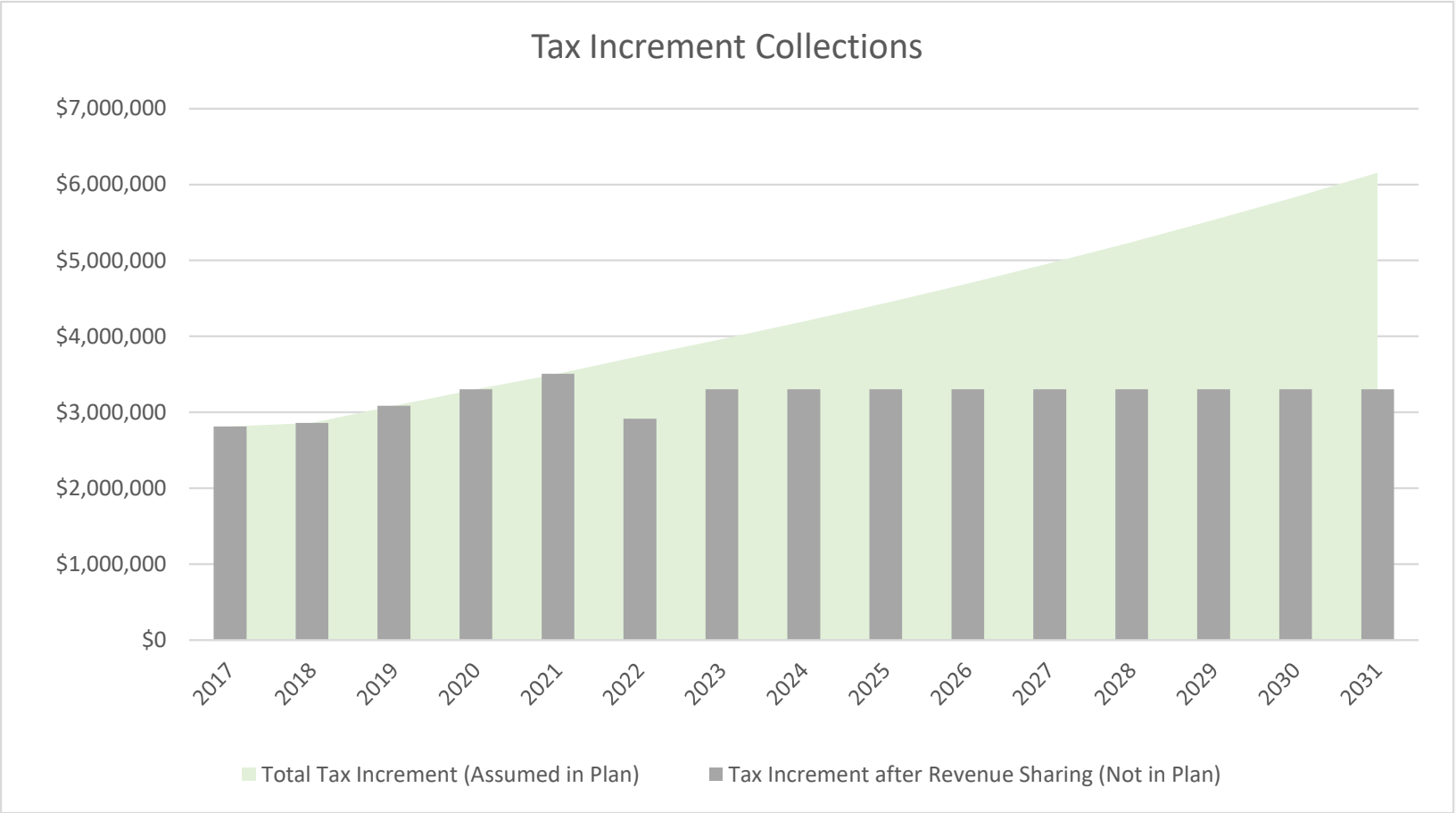


Caps annual tax revenue to URD



REVENUE SHARING IN THE DOWNTOWN DISTRICT

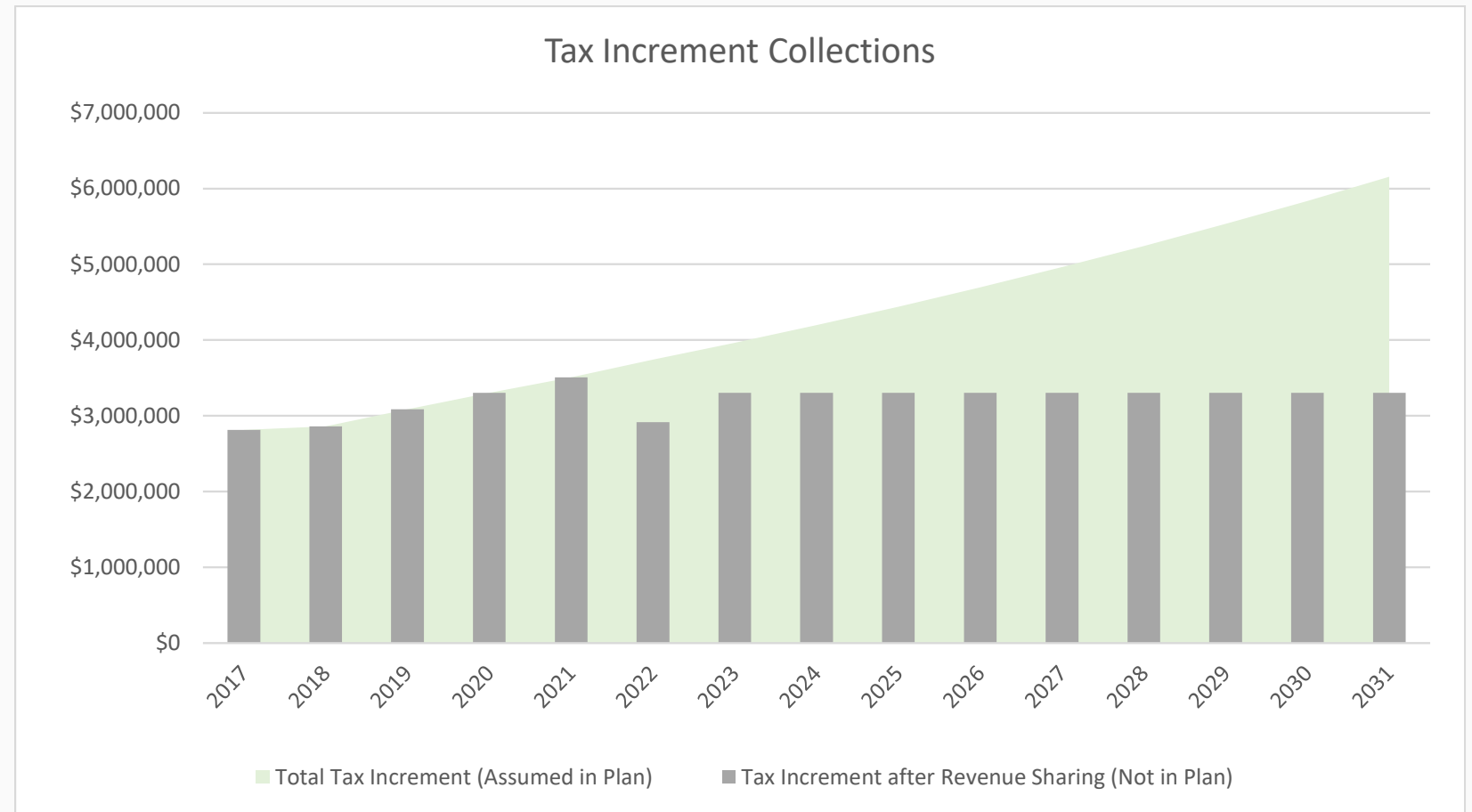
\$3.3M/YEAR





WITHOUT REVENUE
SHARING THE AVG.
INCREMENT
THROUGH 2031
WOULD HAVE BEEN:

\$4.8M/YEAR

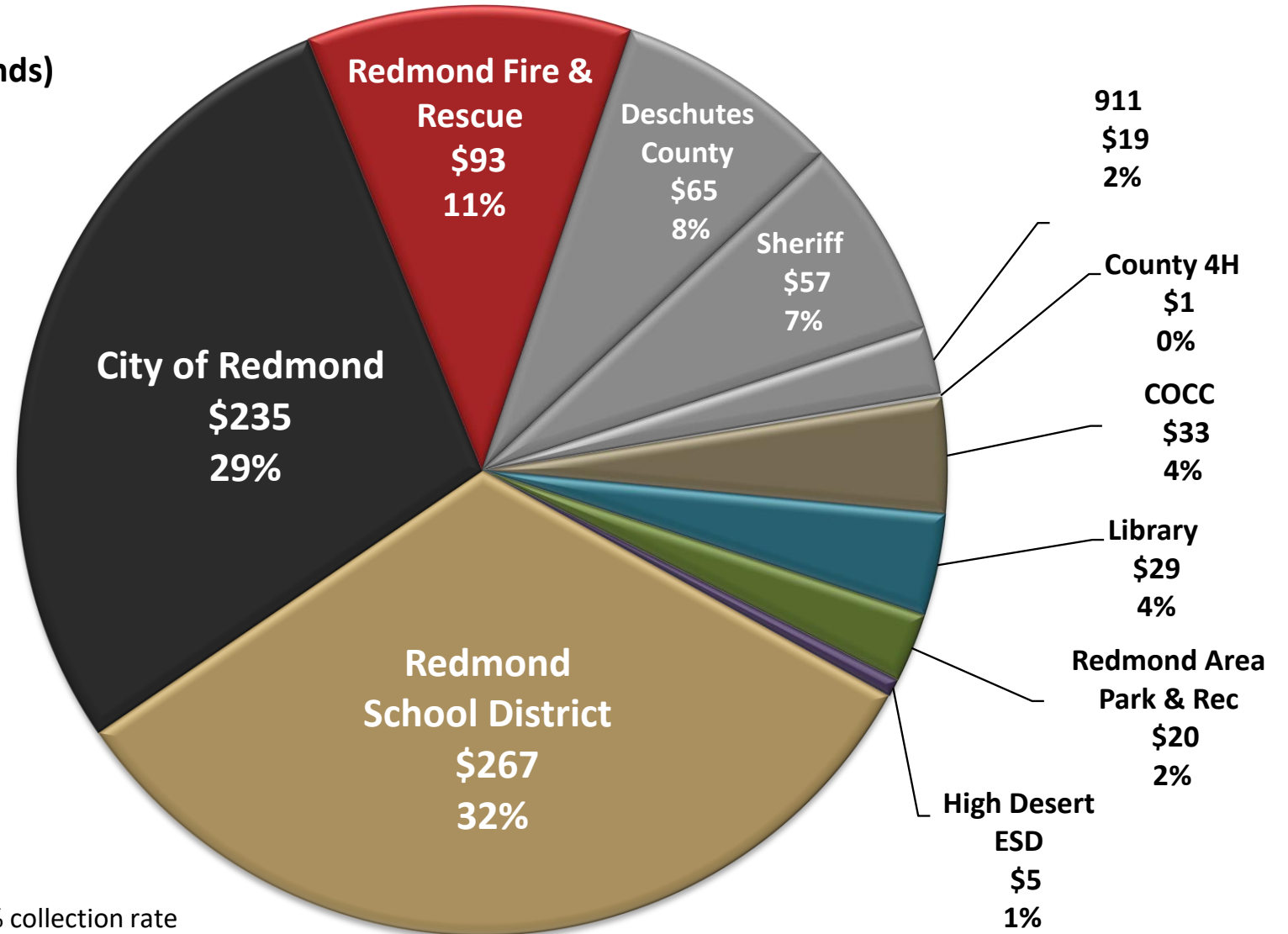




WHO RECEIVES WHAT FY 21/22

SLIDE / 8

Downtown Urban Renewal District FY 2021/22 Revenue Sharing By Taxing District \$825,000 * (\$s in thousands)

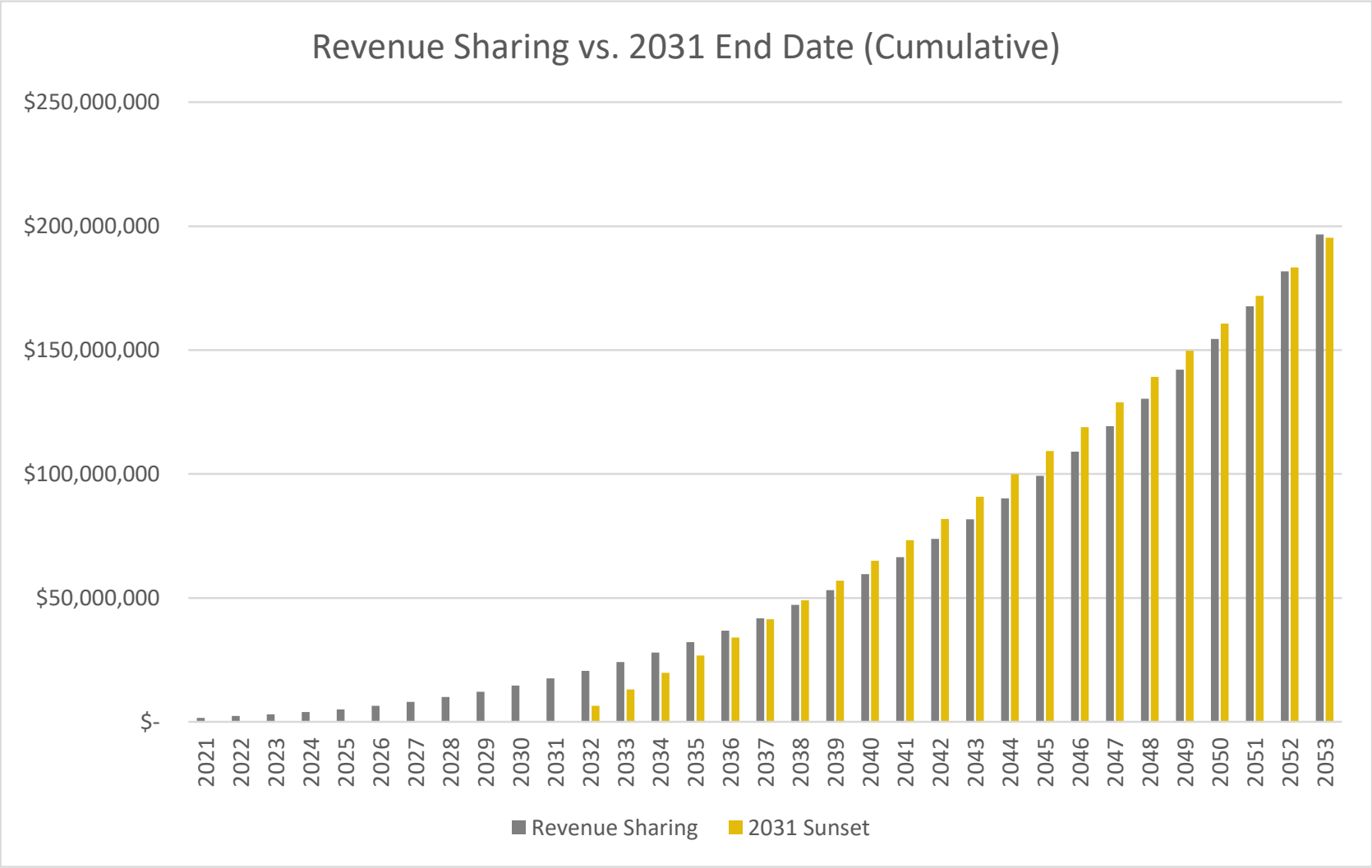


* Assumes a 96% collection rate



OVERLAPPING TAXING DISTRICTS

PROJECTED REVENUE FROM DURD





REVENUE
SHARING
CREATES NET
REDUCTION
OF **\$45M** FOR
PROJECTS

WITH END DATE
(NO CHANGE)

\$22
MILLION

WITHOUT END DATE
(PLAN AMENDMENT)

\$67
MILLION



PROJECT INVESTMENTS REMAINING

INVESTMENTS	REMAINING PLAN PROJECTS
Circulation Improvements	\$ 7.5M
Alternative Mobility	\$ 3.3M
Business/Medical Park	\$ 6.8M
Public Parking	\$ 15.5M
Property Assistance Program	\$ 3.7M
Housing Development	\$ 8.4M
Industrial Opportunity	\$ 2.6M
Redevelopment Opportunity Fund	\$ 17.3M
Public Open Space	\$ 1.3M
TOTAL	\$67 MILLION



RECAP

SLIDE / 12

THE ISSUE

The end date limits our resources to accomplish Plan objectives and projects.

OPTIONS

Option 1: Status quo (i.e. do nothing)

Option 2: Remove Plan end date references



QUESTIONS AND DISCUSSION

2031 END DATE LANGUAGE:

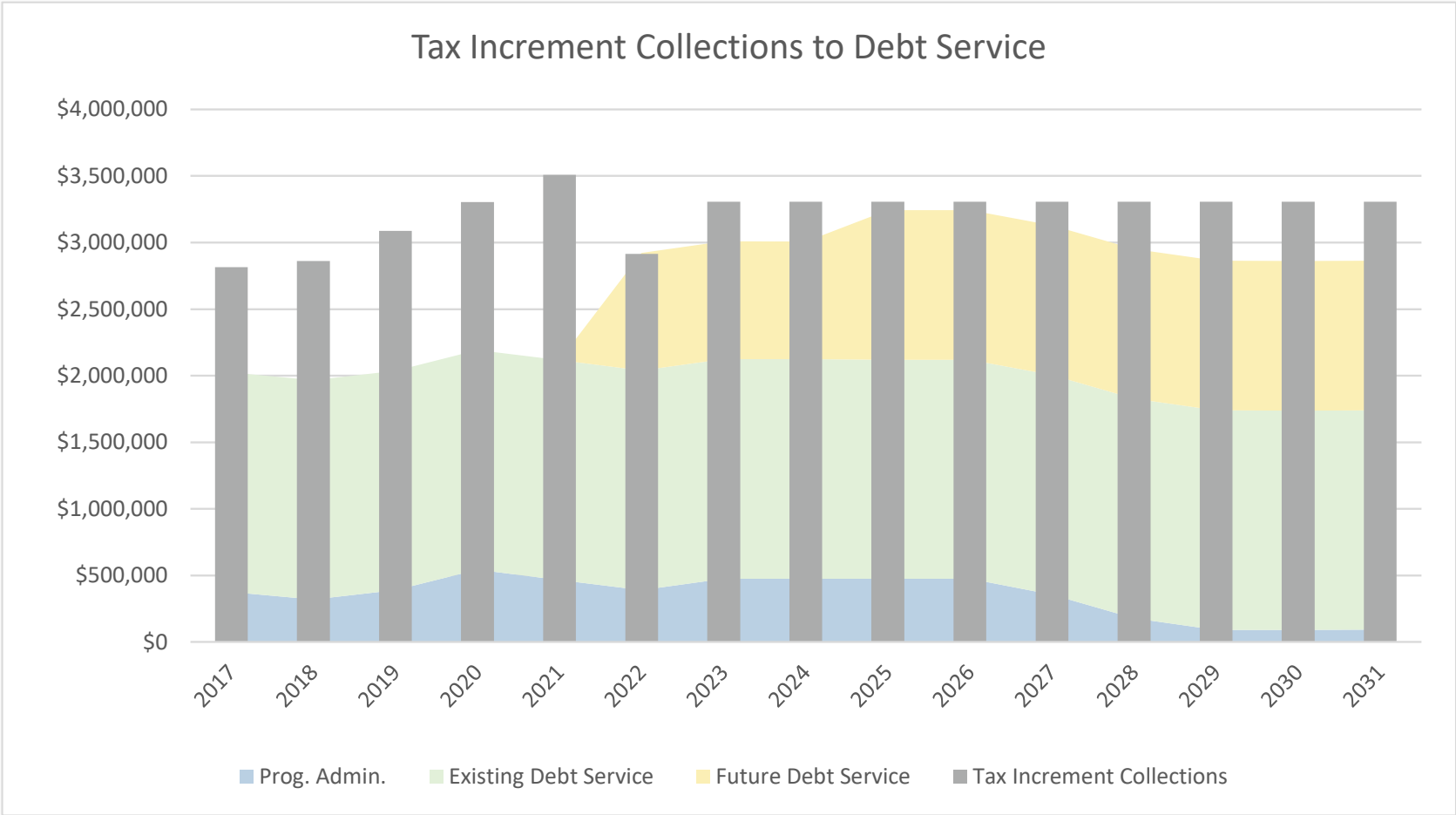
1100. Latest Date for Issue of Bonded Indebtedness

“...No bonded indebtedness shall be issued with respect to the Plan, or any project undertaken with respect to the Plan, later than June 30, 2031.”



DEBT
CAPACITY WITH
2031 END DATE

\$14-\$16
MILLION



DOWNTOWN PROJECT SUCCESSES

SINCE 2013

SLIDE / 16



300

COMPLETED PROJECTS



88%

DOWNTOWN OCCUPANCY



120

PARKING SPACES ADDED



\$1 : \$5

PUBLIC TO PRIVATE
DOLLARS LEVERAGED



4X GROWTH

PROPERTY VALUATION



\$98M

INCREASE TO TAX BASE