



**MONDAY, APRIL 17, 2023**

**URBAN RENEWAL AGENCY MEETING WITH ECONOMIC DEVELOPMENT COMMITTEE 6:00 pm**

**Call to Order**

Agency Member Chair Joe Backus called the meeting to order at 6:00pm.

**Roll Call**

**Present:** Agency Member Chair Joseph A. Backus; Agency Member Megan Greisen; Agency Member Pete McHugh; Agency Member Tyler Miller; Agency Member Jeannet Santiago; Agency Member Kim Holmes; Agency Member Andrew Lafrenz; City Manager Alexandra Rains; Legal Counsel Peter Watts; City Recorder Susan M. Reeves; Community Development Director Laurie Oliver Joseph; Associate Planner NJ Johnson; Economic Development Committee Chair Christine Turner; Economic Development Committee Vice Chair Brian Rosenthal; Economic Development Committee Member Paul Fidrych; Economic Development Committee Karl Fenstermaker and Port Liaison Nancy Ward.

Remote: Scott Vanden Bos, Elaine Howard Consulting, LLC and "Guest" (joined at 6:43pm).

**Approval of the Agenda**

Agency Member Jeanett Santiago moved, and Agency Member Megan Greisen seconded the motion to approve the agenda. Motion passed 7-0. Agency Member Joe Backus, aye; Agency Member Megan Greisen, aye; Agency Member Pete McHugh, aye; Agency Member Tyler Miller, aye; Agency Member Jeannet Santiago, aye; Agency Member Kim Holmes, aye; and Agency Member Andrew Lafrenz, aye.

**Public Comment**

There were no public comments.

**Approval Minutes**

**February 6, 2023 Urban Renewal Agency meeting minutes**

Agency Member Kim Holmes moved, and Agency Member Pete McHugh seconded the motion to approve the February 6, 2023 Urban Renewal Agency meeting minutes. Motion passed 7-0.

Agency Member Joe Backus, aye; Agency Member Megan Greisen, aye; Agency Member Pete McHugh, aye; Agency Member Tyler Miller, aye; Agency Member Jeannet Santiago, aye; Agency Member Kim Holmes, aye; and Agency Member Andrew Lafrenz, aye.

## **New Business**

### **Status of Active Applications**

Associate Planner N.J. Johnson went over the staff report. There are currently two outstanding applications with the Scappoose Urban Renewal Agency:

The Agency heard a presentation from the CCPOD, LLC (applicant of the food cart pod grant request) at the February 6, 2023 Urban Renewal Agency meeting. Given the holistic considerations the Agency is undergoing related to the purpose and process of the Urban Renewal program, the Agency decided to delay a final decision on CCPOD, LLC's application until the program is better defined. This application will be reviewed for consideration at a future meeting of the Urban Renewal Agency.

The second outstanding application is related to Healthy Smiles, who was awarded a grant of \$15,000 at the October 3, 2022 meeting for their new development project on another site. City staff received a letter the week of March 20, 2023 returning their grant award since the project has been cancelled due to cost. In this letter, Healthy Smiles requested that the Agency consider allowing them to retain the \$15,000 award and repurpose it to expand the existing Healthy Smiles building. City staff has not yet received an application related to the proposal to expand the existing building. The Agency may make a motion to proceed in a few ways:

- Allow Healthy Smiles to use the \$15,000 previously awarded to them, for the purposes of the newly proposed expansion.
- Have Healthy Smiles return the \$15,000 to the Agency and allow Healthy Smiles to apply for a new grant.
- Have Healthy Smiles meet with the Agency at the next meeting to discuss their new project before the Agency authorizes the use of the grant. Healthy Smiles would not have to complete a new grant application.

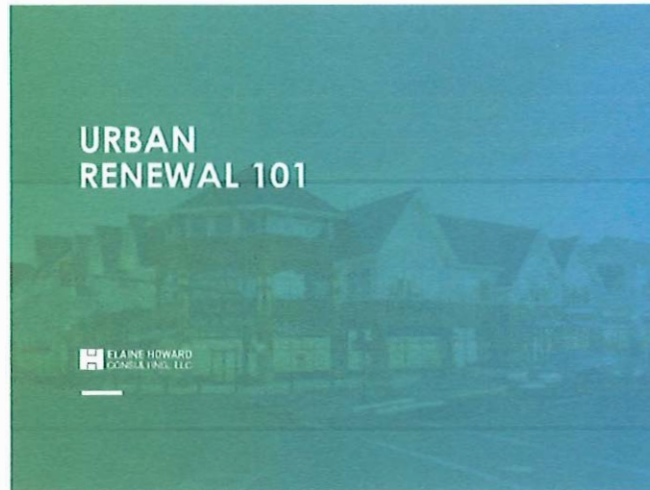
If the Agency chooses to allow Health Smiles to keep the grant money for the new project, the URA will have approximately \$33,000 to award in grants for the remainder of the fiscal year. If the Agency chooses to have Healthy Smiles return the grant, the URA will have approximately \$48,000. The URA can also elect to preserve any amount of the remaining funds for future projects in future fiscal years.

Agency Member Kim Holmes moved, and Agency member Tyler Miller seconded the motion to have Healthy Smiles return the \$15,000 to the Agency and allow Healthy Smiles to apply for a

new grant. Motion passed 7-0. Agency Member Joe Backus, aye; Agency Member Megan Greisen, aye; Agency Member Pete McHugh, aye; Agency Member Tyler Miller, aye; Agency Member Jeannet Santiago, aye; Agency Member Kim Holmes, aye; and Agency Member Andrew Lafrenz, aye.

## **Basics of Urban Renewal**

Scott Vanden Bos, Elaine Howard Consulting, LLC went over a presentation.



## WHAT IS URBAN RENEWAL

- ❖ Urban renewal is a local government tool used to improve and revitalize areas within a city.
- ❖ It is used to implement economic development strategies and comprehensive plan goals. Urban renewal allows local governments to focus investments on a particular area to encourage public and private development.

Elaine Howard Consulting LLC

## WHY USE URBAN RENEWAL?



Many opportunities for improvements and redevelopment in cities that need funding.



City general funds typically lack the funds to contribute to these opportunities.



Urban Renewal provides a funding source to bridge the gap.

Elaine Howard Consulting LLC

## URBAN RENEWAL 101

### NOT A NEW TAX!



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CRASH COURSE | UR 101

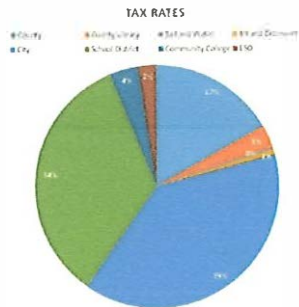
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HOW DOES AN URBAN RENEWAL AREA FUNCTION?

- 1. **Income Source**
  - Yearly property tax collections based on growth within Boundary (more detail on mechanisms in later slide)
- 2. **Expenses**
  - Projects, programs, and administration
- 3. **Spending Limit**
  - Capped by Maximum Indebtedness (MI)
    - The total amount of money that can be spent over the life of the district on projects, programs, and administration

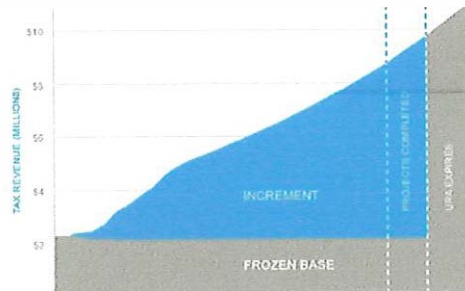
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LEVERAGING CITY TAX RATE



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## HOW DOES URBAN RENEWAL FINANCING WORK?



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## PROPERTY TAX SUMMARY

- No new taxes due to the division of taxes from Urban Renewal
- Schools are indirectly impacted by urban renewal
- There will be a line item for Urban Renewal on your property tax bill if this Plan is adopted
- There are no bonds or local option levies impacted by the urban renewal plan

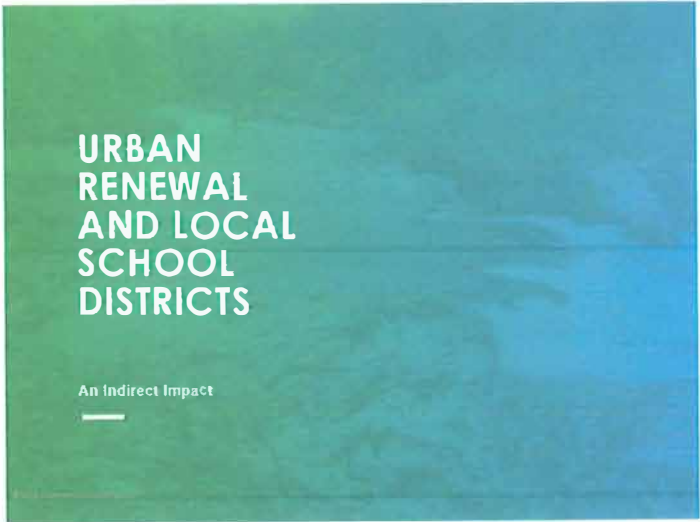
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## IMPACTS TO TAXING DISTRICTS

- ❖ Urban Renewal does not provide new money
  - Diverts funds that would go to other property tax districts
- ❖ Continue receiving taxes on frozen base
- ❖ Temporarily forego taxes on any growth in Urban Renewal area
- ❖ Growth may not have occurred but not for urban renewal



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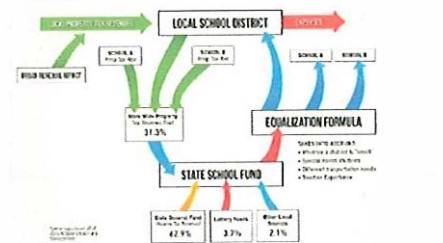


**URBAN RENEWAL IMPACT**  
**Regular Taxing District**



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**URBAN RENEWAL IMPACT**  
**Local Schools**



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## PROPERTY TAXES AND URBAN RENEWAL

- Urban Renewals Division of Taxes does not increase property taxes, it uses increases in property taxes that were already happening
- Urban Renewal is a line item on your property tax bill
- The Assessor must go through the following steps when distributing Urban Renewal Taxes:
  - "Calculation" of TIF to be collected
  - "Distribution" of TIF City-wide to property tax payers
  - "Collection" of property tax revenues

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## A HYPOTHETICAL PROPERTY TAX BILL

Taxing District	Rate	Property Value
Property Value		\$100,000
County	\$ 2.2052	\$220.52
County Library	\$ 0.3947	\$39.47
Soil and Water	\$ 0.0500	\$5.00
4H and Extension	\$ 0.0600	\$6.00
City	\$ 5.1057	\$510.67
School District	\$ 4.4614	\$446.14
Community College	\$ 0.5019	\$50.19
ESD	\$ 0.3049	\$30.49
Urban Renewal		
<b>Total</b>	<b>\$ 13.1048</b>	<b>\$1,310.48</b>

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## A HYPOTHETICAL PROPERTY TAX BILL

Taxing District	Rate	Property Value	Property Value without UR
Property Value		\$100,000	\$100,000.00
County	\$ 2.2052	\$220.52	\$227.14
County Library	\$ 0.3947	\$39.47	\$40.65
Soil and Water	\$ 0.0500	\$5.00	\$5.15
4H and Extension	\$ 0.0600	\$6.00	\$6.24
City	\$ 5.1057	\$510.67	\$525.99
School District	\$ 4.4614	\$446.14	\$459.52
Community College	\$ 0.5019	\$50.19	\$51.70
ESD	\$ 0.3049	\$30.49	\$31.40
Urban Renewal			
<b>Total</b>	<b>\$ 13.1048</b>	<b>\$1,310.48</b>	<b>\$1,349.79</b>

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## A HYPOTHETICAL PROPERTY TAX BILL

Taxing District	Rate	Property Value	Property Value without UR	Property Value With UR
Property Value		\$100,000	\$103,000.00	\$103,000.00
County	\$ 2.2052	\$220.52	\$227.14	\$220.52
County Library	\$ 0.3947	\$39.47	\$40.65	\$39.47
Soil and Water	\$ 0.0500	\$5.00	\$5.15	\$5.00
4H and Extension	\$ 0.0800	\$8.00	\$8.24	\$8.00
City	\$ 5.1057	\$510.67	\$525.99	\$510.67
School District	\$ 4.4614	\$446.14	\$459.52	\$446.14
Community College	\$ 0.5019	\$50.19	\$51.70	\$50.19
ESD	\$ 0.3049	\$30.49	\$31.40	\$30.49
Urban Renewal				\$38.31
Total	\$ 13.1048	\$1,310.48	\$1,349.79	\$1,349.79

Edina Howard-Gomez LLC

## QUESTIONS?

Edina Howard-Gomez LLC

### Urban Renewal Grant Program Goal(s)

Associate Planner N.J. Johnson went over the Fundamental Goal of the Urban Renewal Grant Program memo. The Scappoose Urban Renewal Agency (URA) was established via Ordinance 886 on November 19, 2019. This established a frozen base revenue line where property tax revenue collected in excess of the frozen base will support the overall Scappoose Urban Renewal District. A subset of those funds are allocated annually to the Scappoose Urban Renewal Agency to award grants for either New Development or Business Development. Since the URA's inception, four grant applications have been submitted and two grants have been awarded. The first Urban Renewal Agency meeting where grants were awarded took place on October 3, 2022. At the time, the Urban Renewal grant fund had accumulated to approximately \$55,000 and \$22,000 was awarded, leaving roughly \$33,000 for the remainder of Fiscal Year 2022-2023.

Before moving forward with the consideration of any further grants, the Agency has expressed the need to establish a fundamental purpose of the Urban Renewal grant program. Establishing the program's overall mission provides the Agency's Commissioners with criteria to apply when making decisions on awarding grants. Below is a summary of a few fundamental directions the Agency can establish for its grant programs, with a list of advantages and challenges.

### **Option 1 - Further Increasing the Tax Increment**

Description: The Agency will award grants with the primary focus of increasing the value of the applicant's property, thus expediting the process of collecting Urban Renewal funds.

#### **Advantages:**

- A significantly improved tax increment allows the impacted taxing districts to collect more property tax revenue when the Urban Renewal District sunsets because the property values will have increased by greater margins.
- Collecting greater than expected tax increment will accumulate revenues quicker.

#### **Challenges:**

- Anticipating what projects will generate more or less property tax increases is a projection and appraisal expertise is not expected to be on hand as the Agency makes decisions on grants.
- Property owners with substantial enough improvements to their property value will see an increase in their property taxes beyond the statutorily capped 3% annual increase.

### **Option 2 - Advancing Exterior Beautification**

Description: The Agency will award grants with a primary focus of advancing the visible aesthetics and beauty of businesses to make the District as a whole more visually attractive.

#### **Advantages:**

- Helps create a more attractive and vibrant downtown core.
- May lead to an increase in tourism and economic activity.

#### **Challenges:**

- Exterior improvements are not expected to substantially increase property values.

### **Option 3 - Assist with Interior Structural Improvements**

Description: The Agency will award grants with a primary focus of increasing the ability of businesses in the District to make interior improvements to the structure of their buildings.

Advantages:

- Improves the building quality of local businesses in the District.
- Assists the financial condition and flexibility of local businesses.

Challenges:

- Impacts of the awards are not visually apparent from the exterior.
- The Agency would be limited to improvements that stay with the structure permanently. Urban Renewal grant funds may not be used to purchase equipment that may leave the business or the District.

**Option 4 - Financing Large Projects**

Description: The Agency will award grants with a primary focus on larger projects in the future. Depending on how the Agency applies this, this may result in withholding funds for current projects until more funds are available.

Advantages:

- Larger projects are often more visible to the community. Financing larger projects could provide the Urban Renewal program with more noteworthy achievements.
- Larger contributions would make a greater difference to a project's completion and success than, for example, a small grant would to a project that is going to happen regardless of an Urban Renewal grant award.
- Larger projects typically increase the tax increment.


Challenges:

- Withholding grant money for years may damage the reputation of the Urban Renewal Program to the point where businesses are not interested in applying even if there are large funds available.

**Adjournment** ~ Agency Member Chair Backus adjourned the meeting at 6:59pm.

  
Chair Joseph A. Backus

Attest:

  
City Recorder Susan M. Reeves