

**SCAPPOOSE CITY COUNCIL
MONDAY, JUNE 18, 2018**

WORK SESSION ~ MAIN STREET PROGRAM ~ 5:30 PM

Mayor Burge called the Work Session to order at 5:30 p.m.

Present: Mayor Scott Burge, Council President Mark Reed, Councilor Patrick Kessi, Councilor Megan Greisen, Councilor Natalie Sanders, Councilor Joel Haugen, Councilor Josh Poling, City Manager Michael Sykes, City Recorder Susan Reeves, AmeriCorps RARE Participant Garrett Peterson, City Planner Laurie Oliver, Assistant to City Manager Alexandra Rains, JJ Duerhen, and Courtney Vaughn with the Spotlight.

City Manager Sykes explained about a month ago we had a representative from the Main Street Program that presented to the Council and encouraged the City to be a Main Street participant. He explained he talked to staff and they felt there was interest by Council to maybe move forward. He explained tonight Garrett wants to discuss a little more about what being a Main Street participant means and get the Council's feedback about how to proceed.

AmeriCorps RARE Participant Garrett Peterson explained after the previous Work Session he spoke with the Main Street Representative Katie, and she gave him some advice, and pointers on how to move forward. He went over the potential next steps if the City does proceed and apply to for the Oregon Main Street Program. He went over the applications and explained there are four different levels. He explained the first level is the Associates level, and gave an overview of that. He explained the next level is the Exploring Downtown level. He explained with the Exploring Downtown you get all the benefits of the Associate level, plus a lot more. He stated one of the main things you get out of this program is more technical assistance. He explained when cities come in at the lowest level, the Associate level, sometimes since you are not getting the direct benefit cities lose momentum because they are not as active. He explained he was told since there isn't a big difference between the two levels you get a lot more bang for your buck if you jump into the Exploring Main Street level. He explained he feels the biggest benefit of doing Oregon Main Street is that you can apply for grants. He went over some of the suggested projects grants can be used for. He explained for Oregon Main Street you can structure it in different ways. He went over the requirements for each level. He discussed the list of projects that were awarded in 2017.

JJ Duerhen explained she has extensive business experience. She explained she was involved with the Main Street Project when the City of St. Helens did not fund the 4th of July fireworks one year. She stated she loves Scappoose, but the truth of the matter is the historic buildings we do have on Highway 30 are an eye sore. She stated that sends a message to the people who want to spend money, and the message is just keep driving. She explained how we could begin the process which would help develop this area and make a real impact. She thinks the other thing Main Street does is helps small communities develop an identity. She stated Scappoose is a gold mine and by freshening up the look it will benefit the City. She explained the other thing you can do with the Main Street Program is do signage and tell the story. She stated if you are smart about this you could really do some great things.

Councilor Haugen asked JJ Duerhen if she is aware of Communities that have done murals?

JJ Duerhen replied absolutely, the City of Enterprise has, and she explained how they tell their story. She explained she would do facades on businesses along Highway 30.

Garett Peterson explained as part of the application process it is advised to have an open house, which will help get the community involved.

JJ Duerhen explained the process needs to be tasteful and send a very real message. She explained Scappoose could be the gateway to adventure in Columbia County.

Councilor Greisen asked staff where are we in regard to signage?

Assistant to City Manager Alexandra Rains gave an update on the signs that will be placed around the City. She is hoping they will be up this summer.

City Manager Sykes explained he thinks if Council is interested in pursuing this and adopting a resolution to have staff apply to be part of the Main Street program, the next step would be to forward this to the Economic Development Committee and have them come up with proposals and recommendations for staff to take to City Council. He explained the City is looking into an Urban Renewal District and this could be a nice matching program with that.

JJ Duerhen replied she is happy to help.

Council thanked JJ and Garett.

Mayor Burge adjourned this work session at 6:00 p.m.

WORK SESSION ~ URBAN RENEWAL FEASIBILITY STUDY, 6:00 PM

Present: Mayor Scott Burge, Council President Mark Reed, Councilor Patrick Kessi, Councilor Megan Greisen, Councilor Natalie Sanders, Councilor Joel Haugen, Councilor Josh Poling, City Manager Michael Sykes, City Recorder Susan Reeves, City Planner Laurie Oliver, Assistant to City Manager Alexandra Rains, and Courtney Vaughn with the Spotlight. Lorelei Juntunen, ECONorthwest, is present this evening, along with Nick Popenuk, Tiberius Solutions on the phone.

Mayor Burge opened the work session at 6:03 p.m.

Assistant to City Manager Alexandra Rains explained this is the final report to Council on the Urban Renewal Feasibility Study. She explained Nick is on the phone in case Council has any questions on the financial piece.

Lorelei Juntunen thanked Council for having her here this evening. She explained this is the final presentation of this round of analysis to give Council some feedback on what they have found to date. She went over the power point that was included in the packet.

Scappoose Urban Renewal Area Recommendations to Council

ECONorthwest
ECONOMICS • FINANCE • PLANNING



**TIBERIUS
SOLUTIONS**

Monday June 18, 2018

Lorelei Juntunen, ECONorthwest

Nick Popenuk, Tiberius Solutions

Today's Agenda

- Project Overview
- Summary of Research and Analysis
- Recommendations

This project is funded by Oregon general fund dollars through the Department of Land Conservation and Development. The contents of this document do not necessarily reflect the views or the policies of the State of Oregon.

2

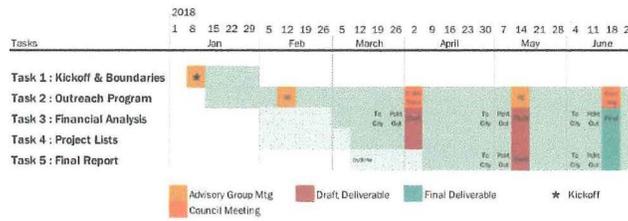
Project Overview

Urban Renewal Area Feasibility Study

- Would UR be useful to fund infrastructure needs?
- What are the pros and cons of UR in Scappoose?
- How much revenue could potentially be raised?

3

Project Schedule



Financial Results

- Forecast assessed value growth
- Calculate TIF revenue
- Identify timing and amount of funding for projects
- Convert back to constant 2018 dollars

Historical Assessed Value Growth

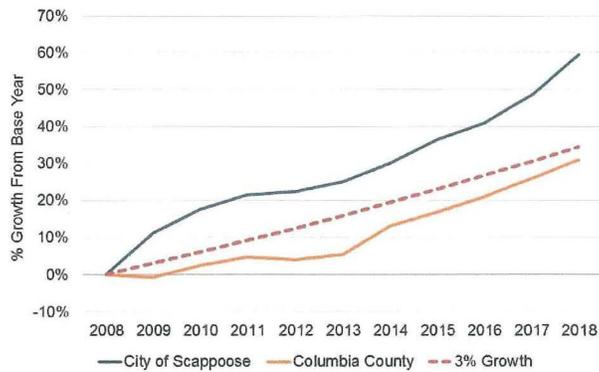


Illustration of Capacity Over Time

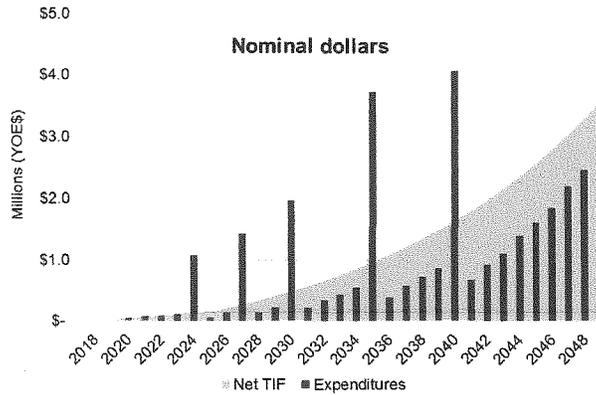
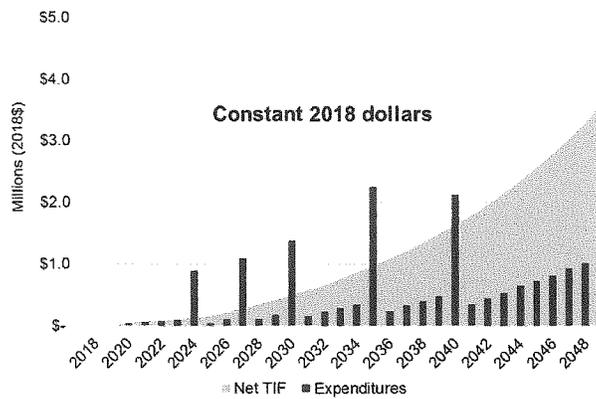


Illustration of Capacity Over Time



Overview of Scenario Results

	Scenario A	Scenario B	Scenario C
AV Growth Rate	5%	7%	9%
Construction Value / Year	\$1.2M	\$2.4M	\$3.6M
Cumulative TIF Revenue (YOES)	\$23,400,000	\$37,100,000	\$55,500,000
Maximum Indebtedness (YOES)	\$20,600,000	\$32,200,000	\$48,700,000
Funding for Projects (2018 \$)			
Total	\$11,370,000	\$17,270,000	\$25,470,000
Year 0-5	\$270,000	\$270,000	\$270,000
Year 6-10	\$2,100,000	\$2,400,000	\$2,700,000
Year 11-20	\$3,900,000	\$6,000,000	\$8,500,000
Year 21-30	\$5,100,000	\$8,600,000	\$14,000,000

Plan Duration: 30 years
 Interest Rate: 5%
 Coverage Ratio: 1.5x

Mayor Burge asked about a pay as you go approach.

Nick Popenuk (via phone) replied the maximum amount of indebtedness would be higher if you assume you weren't going to borrow, as you were going to use the pay as you go approach only spending money as you accumulate it. He explained by doing that you would be slowing down the pace that you could do projects, so they would be further out in time and inflation would take a bigger bite out of your purchasing power. He stated it is something you could consider doing.

Lorelei Juntunen explained she thinks some of the projects the City might be contemplating funding are necessary to allow development to occur. She stated if you don't fund them in advance to the development occurring you can't generate the TIF, so you might be in a situation where bonding is necessary depending on which mix of projects you are looking at. She explained the City's Urban Renewal Plan will have to identify the projects that you will spend the money on. She explained even though you don't have to sign an intergovernmental agreement or other legal contract that would tie the Urban Renewal areas hands to repaying the loans, if the City thinks they might want to do that in the future we would want to build that into the plan as a project and we would want to build it into the financing plan as well to help to really understand and provide a realistic picture of what Urban Renewal priorities might look like for investment.

Councilor Kessi stated he didn't know we had to identify projects. He thought if we identified a boundary, how do we know what projects are going to be within that boundary, ten to fifteen years from now.

Lorelei Juntunen replied there are sort of varying degrees of specificity in Urban Renewal Plans, but you do have to describe what you intend to spend your money on. She explained some communities have described that in very broad-brush strokes, and others have been very specific, so there is a range that is possible there. She stated the one important thing to keep in mind is that you are effectively entering into an unspoken contract with your overlapping taxing districts when you put an Urban Renewal Area in place that you are going to be spending the collective pot of money for the purpose of growing the tax base. She stated in thinking about those projects and the degree to which you are clear about what they are and targeted in how you are using Urban Renewal will make the conversations go more smoothly with your overlapping taxing districts.

Nick Popenuk (via phone) explained if you don't like a project in the plan to begin with you would be able to spend any money on it until you amended the plan to include it on the list.

Implications

- Very constrained capacity in early years, exacerbated by Enterprise Zone
- Significant capacity long-term, depending on future development
- Two alternatives:
 - "Traditional" URA, but with slow start
 - Focus on treatment plant

"Traditional" URA Option – with slow start

- No significant investments through FYE 2023
- Modest investments FYE 2023 to 2029
- Significant investments after FYE 2030

Pros

- Long-term economic development efforts
- Flexibility

Cons

- Little benefit over next decade
- Does not address treatment plant needs ¹¹

Focus on Treatment Plant

- TIF revenues cover fair share of costs
- City incurs debt, and bulk of the payments
- Over time, URA assumes larger share of payments.

Pros

- Helps address City's top priority

Cons

- No ability to fund other projects for 20-years
- Can only fund part of one treatment plant ¹²

Potential Project List

- Infrastructure
 - Water / wastewater treatment plants
 - Sidewalks
 - Pedestrian safety
- Storefront improvement
- Streetscape program
- Downtown improvements

URA Draft Goals

- Public input in Urban Renewal District (plan, policies, etc.)
- Water, wastewater and stormwater infrastructure
- Pedestrian transportation networks (sidewalks)
- Local businesses support (jobs, façade improvements)
- Improve local investment
- Promote/establish vibrant town center

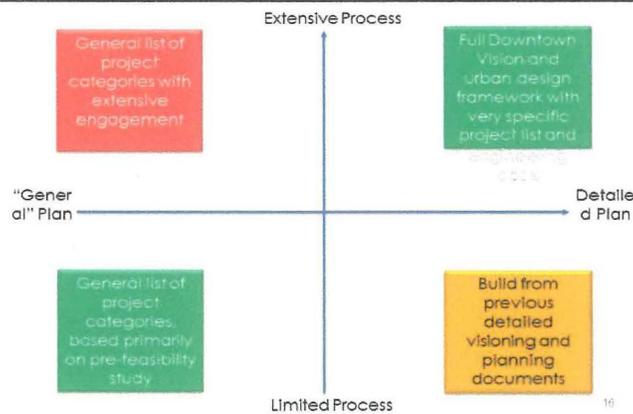
14

Recommendations

- Fund smaller downtown improvement projects early on
- Finance treatment plant and structure to use TIF to repay some borrowing costs later on

15

Range of 'Typical' Plan Processes



16

Questions for Discussion

- What would advancement towards a plan look like?
- Possible parameters of Plan?
 - Urban design framework?
 - Public and stakeholder outreach?
 - Key projects and costs?

17

ECONNorthwest

ECONOMICS • FINANCE • PLANNING



Eugene



Portland



Seattle



Boise

City Manager Sykes explained staff would like to get Councils take on this. He asked is this something you would like staff to move forward on? He stated we would like to hear from Council in regards to what you would like staff to do.

Councilor Poling stated he likes the idea of it, because we can use that to really develop the City, take that money that is there and use it to develop even more. He explained he is definitely one for having both sides of it, because he thinks we need to use that money to help grow Scappoose, not just for the treatment plant. He stated the more we invest in the future development of this area the more money will come into play in the future as well, it is kind of beneficial to us to find the right projects to help grow that base. He likes the idea.

Councilor Haugen stated for him it depends on the cost of the development plan. He explained he agrees with Councilor Poling that it will be beneficial down the road.

Councilor Kessi stated what he really likes about the Urban Renewal Plan is that the tax base is frozen, and we get to use the money to put back into the area that we want to put it into. He explained he is really excited that we can put that money back into our community and to have a vibrant town center to help create jobs within this community with that tax base.

Councilor Greisen stated she seconds that, and she feels it is a smart business move if we do it that way. She feels it was nice that this was tied in with the Main Street Program. She stated she is on board.

Councilor Sanders agrees with what the other Councilmembers have said. She really likes doing the dual one, because it seems like there are too many opportunities to only focus on one. She stated the thing that concerns her is how much so far have we actually discussed with the other taxing districts. She wants to make sure there has been outreach.

Assistant to City Manager Alexandra Rains replied they have reached out, and the next piece will be discussing this a lot more.

Council President Reed explained this seems to kind of smooth out what is normally Oregon's rather inept system of taxation and funding public services. He stated he is in agreement with everyone else.

Mayor Burge stated he mostly agrees. He feels this is a good format for moving forward.

City Manager Sykes replied the next thing staff will do is try to figure out what the next costs are and bring that back to Council for their consideration.

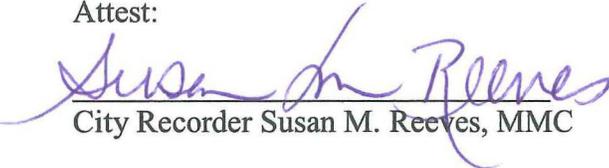
Councilor thanked Lorelei, Nick, and Alex.

Mayor Burge adjourned the Work Session at 6:58 p.m.



Mayor Scott Burge

Attest:



City Recorder Susan M. Reeves, MMC