Economic Development Committee Meeting Minutes

Scappoose City Hall, 33568 E Columbia Ave. Scappoose, OR 97056

April 21, 2017 from 12 Noon – 1:30pm

Attendees:

Len Waggoner, Brian Rosenthal, Brady Preheim, Christine Prockish, George Hafeman, Natalie Sanders, Libby Calnon, Larry Ericksen, Chuck Daughtry, City Manager Michael Sykes, Program Analyst & Recording Secretary Alexandra Rains, Program Analyst Ben Tolles, Brett Estes, Paula Miranda, Melanie Olson, Stephen Jupe

Absent:

Alex Tardif, Carmen Kulp, Phil Griffin, Gregg Meyer

1. **CALL TO ORDER**

   - The meeting was called to order at 12:10 by Committee Chair Len Waggoner

2. **No Introductions**
3. **Approved Meeting Minutes from February 16th session**
4. **No Citizen Communications**
5. **New Business:**

   - Update on OMIC
     - ➤ Chuck Daughtry provided a brief update on the OMIC, including progression on a membership agreement between the involved parties and formation of a 501 C6.
   - Update on School District
     - ➤ Stephen Jupe provided an update on the Scappoose School District. He focused on their efforts to bring PCC equipment and courses to Scappoose and St. Helens for high school students. This would include mega-tronics in Scappoose and welding prep in St. Helens in addition to CAD and design. They would offer night courses and dual credit at the High School and with PCC.

- Early childhood programs are being considered as well as stem lab courses for middle schoolers
- Update on the Port of St. Helens
  - Paula Miranda discussed ongoing activity at the Port. They are closing on a property located off of Wagner Court, focusing on new business recruitment and connecting their properties to water and sewer.
- Update for the City of Scappoose
  - Michael Sykes reported that the appeal to the annexation of 350 acres was dropped, allowing PCC to move forward with their development. Additionally, Airpark Development is considering the donation of some wetland acreage to the City for open space.
  - The West Lane Road project is 50% complete with design/engineering, there is a possibility of expanding the scope of the project to include the west side of the road.
  - The City Council incorporated the Economic Development Committee's goals into the City-wide goals.
  - The City is working to update Master Plans in order to ensure future demand from new businesses can be met.
- Brett Estes, City Manager of Astoria, presented on Urban Renewal Districts
  - Brett provided contact information for AORA, a resource for Urban Renewal should the City decide to move forward with establishing a district
  - What is Urban Renewal? Urban Renewal is tax increment financing, it does not increase taxes to property owners. Governments continue to receive funds from the "frozen base" while the tax increase or increment (taxes continue to increase as they would normally) goes to the Urban Renewal Fund.
  - Area for the Urban Renewal District must be "blighted" according to legal definition, "but for urban renewal, you couldn't redevelop the property."
  - The City of Astoria has two urban renewal districts. The first was established in 1978, where the old county fairgrounds were previously located. The District's boundaries have been expanded twice. Its been used to build the OSU seafood

lab, a local movie theater and as a park. The District has been able to bond and take on debt. Difficulties faced by this district have been the high number of properties that are owned by non-profits and don't pay property taxes.

➤ The second urban renewal district was established in 2002 near the City's Port Pears. Rebuilt railroad/trolley crossings, parks, road construction and façade improvements for businesses. The façade improvements were financed through loans and grants, there were design standards provided and eligibility requirements for businesses to participate.

➤ Urban Renewal eligible projects – property acquisition, public infrastructure, construction, parks, purchases, loans and grants to businesses, grant matches and sidewalks. If businesses that utilized these funds close, they can't "take away" what that money paid for.

➤ Begin date is set, end date is determined by the adopted MAX amount to be spent by the district, once that amount is spent the district closes unless you go through the process of changing it.

➤ Maximum size of the district can be 15% of the City limits.

- Brett Estes Q&A

  ➤ What if loans go bad?

    Work with Craft3.

    Loans to businesses require collateral, it's possible the district won't recoup all of their funds should the business default.

    It's possible the agency could get overextended, sometimes the tax base changes unexpectedly. These agencies are separate legal entities from the City in which they are located.

    Loans and grants to businesses can increase tax base.

  ➤ Are Enterprise Zones and Urban Renewal Compatible?

    It's not impossible for them to function together, however, Astoria decided not to implement them in the same zone.

  ➤ How are they managed?

City Staff, City Manager and Community Development Director, Finance Director for reporting and budgets. When expansions or amendments of the district took place, Astoria brought in a consultant, Elaine Howard.

➢ How much does it cost to manage an Urban Renewal District?

Transfers from UR to City general fund typically total $60,000 - $80,000 per year.

Additional information can be found at St. Helens' website, special districts should be included in discussion, Committee should discuss where and what we might do this for.

6. **Next Meeting**

- May 18th, 2017

7. **Meeting Adjourned at 1:35 pm**