

**MINUTES  
CITY OF FAIRVIEW  
CITY COUNCIL**

November 7, 2018

**Council Members**

Ted Tosterud, Mayor (Excused)  
Cathi Forsythe  
Mike Weatherby  
Keith Kudrna  
Lisa Barton Mullins  
Natalie Voruz  
Brian Cooper

**Staff**

Lesla Folger, Finance Director  
Allan Berry, Public Works Director  
Heather Martin, City Attorney  
Devree Leymaster, City Recorder  
Sarah Selden, Senior Planner

**Planning Commission**

Steven Hook  
Les Bick  
Russell Williams  
Hollie Holcombe  
Ed Jones (6:13 PM)

**JOINT WORK SESSION (6:00 PM)**

**1. DISCUSS PROPOSED AMENDMENTS TO FMC CHAPTER 19 RELATED TO ACCESSORY DWELLING UNITS**

The Council and Commission discussed the proposed State required amendments concerning ADUs.

Councilor's Voruz and Forsythe expressed concern for allowing two ADUs per single family residence and the impact it could have on single family neighborhoods and the increased demand on infrastructure.

Councilor Kudrna commented not all lots are large enough to accommodate an ADU; not able to meet the lot coverage requirements.

Other considerations discussed included keeping the owner occupied requirement, ensuring detached ADUs are similar to the main residence, separation requirements, and whether one or two ADUs should be allowed. The Commission shared they recommended two (one detached, and one interior) as a compromise in considering the States recommendations.

**WORK SESSION**

**1. REVIEW URBAN RENEWAL PLAN**

CA Young commented the Urban Renewal Plan is scheduled for Council's adoption consideration during the regular meeting with a public hearing process. He asked if the Council had any questions or any topics they would like to discuss in preparation for the regular meeting. Council replied no.

**2. ESTABLISH THE "AREA"**

CA Young explained the Changed Property Ratio (CPR) is used to determine assessed value for new development or significantly remodeled properties. The area is defined as the county in which the property is assessed. Since not all areas within a county have the same market rate, new development could have a lower tax rate based on the county average than a comparable neighboring property. Cities are now allowed to identify "area" as their city limits. Council is being asked to consider adopting a resolution to establish the definition of "area" for the purposes of calculating "Changed Property Ratio". He noted approval requires a three-fifths approval of the governing body.

Council expressed concern for potential impact to existing properties. CA Young replied redefining the “area” for calculating the CPR will effect new properties. These will be compared to other similar properties in Fairview, creating more equity between properties within the city.

### 3. PROPOSED CHRONIC NUSIANCE PROPERTY ORDINANCE

CA Young shared the request to look into creating a chronic nuisance property ordinance was referred by the Public Safety Advisory Committee. Staff gathered five ordinances for examples and a starting point for discussion. Staff recommends developing an ordinance based on Grants Pass with the addition of a warrant for controlled substance violations being added. If Council would like to pursue this option, the police chief and city attorney will prepare a chronic nuisance list and draft ordinance for Council review and discussion in January. Chief Smith commented it is important to take the time to craft the right product. City Attorney Martin remarked she will check with other clients to see if there were areas that were difficult or challenging.

Councilor Cooper asked if there was feedback from Grants Pass on how it was working out for them. CA Young replied no, but he would inquire.

### 4. UPDATE STATUS & PRIORITIES OF GOAL OBJECTIVES & TASK LIST

Council discussed 223rd and Sandy Blvd. (east on Sandy and turning south onto 223rd). This is a blind spot where those turning right might not see the vehicles coming up the hill. Councilor Forsythe suggested considering installing a “no right turn on red” sign. Chief Smith said he would check the accident data.

## **EXECUTIVE SESSION**

Council convened into Executive Session under the authority of ORD 192.660(2)(i) – Evaluation Employment Related performance of a Chief Executive Officer at 7:16 PM and adjourned at 7:45 PM.

## **COUNCIL MEETING (8:00 PM)**

### 1. CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

Mr. Tom Thomas, Fairview, OR spoke about the PW Facility Fee of \$4.82 per month. He commented it is hardship for fixed income residents to have these small, incremental fees attached to their utility bills.

### 2. CONSENT AGENDA

- a. Minutes of October 15 & October 17, 2018
- b. Establish a Public Works Facility Fee Fund: Resolution 56-2018

Councilor Barton Mullins moved to approve the consent agenda and Councilor Cooper seconded. The motion passed unanimously.

AYES: 6

NOES: 0

ABSTAINED: 0

### 3. PRESENTATION

- a. Metro East Community Media

Martin Jones, President, briefed Council regarding the third annual national Community Media Day. He discussed the concern for a reinterpretation by the FCC of a rule regarding the ability to levee franchise fees. If this is overturned it will take away the ability to raise funds and local governments will

not be getting the revenue that is currently used to fund public channels i.e. the channel local content is distributed on (council meetings, etc.)

Council inquired how they could assist. Mr. Jones replied he will provide an email link to the FCC comment portal where individuals may leave comments. Council requested this information be included in the December Fairview Point. Mr. Jones noted the deadline to submit comments is December 14.

#### 4. COUNCIL BUSINESS

- a. Amend FMC Chapter 19 to Comply with Oregon SB 1051 and to Make Additional Amendments Related to Accessory Dwelling Units: Ordinance 7-2018

CR Leymaster read the first reading of the ordinance by title. Senior Planner Selden provided a brief overview of the process and recapped the proposed amendments brought forward by recommendation of the Planning Commission. The proposed amendments are in response to the State adopted requirements to allow one ADU for every single family residence subject to clear, objective, and reasonable standards. The Commission considered all required recommendations from the Department of Land Conservation and Development (DLCD). Four changes are required: definition, remove discretionary language regarding buffer/screening standards, remove limit, and allow interior and above garages in the Village. Five proposed changes are optional: allow 2 ADU's limiting to one detached and one interior, an exception to the 800 sq. ft. for interior within an existing home, parking requirement, and same review process for single family home.

Councilor Forsythe moved to direct staff to maintain one allowable ADU and Councilor Voruz seconded. The motion passed unanimously.

AYES: 6

NOES: 0

ABSTAINED: 0

Staff will make the change as directed by Council for the second reading of the ordinance.

- b. Amend FMC 2.16-Parks and Recreation Advisory Committee Membership Requirements: Ordinance 9-2018

CR Leymaster read the first reading of the ordinance by title. CR Leymaster summarized the proposed amendment is to change the Reynolds School District membership requirement to a "fill when possible". This will provide Council the flexibility to consider other applicants and for PRAC to operate with a full seven member committee.

- c. Adopt Urban Renewal Plan: Ordinance 8-2018

CR Leymaster read the first reading of the ordinance by title. Scott Vanden Boss, Consultant, explained what urban renewal is, the financing aspect, a summary of project categories, and the process the city has engaged in to develop the plan. (*Exhibit A*)

#### 5. PUBLIC HEARING

- a. Amend FMC 2.16-Parks and Recreation Advisory Committee Membership Requirements: Ordinance 9-2018

CR Leymaster read the second reading of the ordinance by title. Council President Weatherby opened the public hearing. There was no comment. Council President Weatherby closed the public hearing.

Councilor Forsythe moved to approve Ordinance 9-2018 and Councilor Cooper seconded. The motion passed unanimously.

AYES: 6  
NOES: 0  
ABSTAINED: 0

b. Adopt Urban Renewal Plan: Ordinance 8-2018

CR Leymaster read the second reading of the ordinance by title. Council President Weatherby opened the public hearing.

Michael Collins, Fairview, OR, requested clarification, unclear whether it will increase taxes. Consultant Vanden Boss replied the only increase will be the seven cents per \$100,000 for the first year. There will be a line item on the tax bill to show the amount collected for urban renewal, but the taxes are the same amount, just redistributed. Same resources being reallocated; not a new tax.

Erich Mueller, Fairview, OR, spoke in favor of the Plan. He commented the city has gone through a long and deliberate process. This will provide a mechanism for funding for projects related to the community. It does not force development.

Megan Moser, Portland, OR, asked what the outreach was during the process and was there an effort to reach the under-represented. Council replied outreach was through social media, city-wide direct mail postcards, and scheduled, noticed public meetings.

Council President Weatherby closed the public hearing.

Councilor Cooper moved to approve Ordinance 8-2018 and Councilor Kudrna seconded. The motion passed unanimously.

AYES: 6  
NOES: 0  
ABSTAINED: 0

c. Establish the “Area” for Purposes of Calculating the Change Property Ratio: Resolution 57-2018

CR Leymaster read the second reading of the ordinance by title. CA Young summarized the proposal will define the “area” as the City of Fairview in determining assessed value for new or significantly improved properties within the city, instead of using the county wide average. Council President Weatherby opened the public hearing.

Erich Mueller, Fairview, OR, spoke in favor of the proposal. It will provide equitability between new and current homeowners; and it does not affect current rates.

Council President Weatherby closed the public hearing.

Councilor Cooper moved to approve Resolution 57-2018 and Councilor Forsythe seconded. The motion passed unanimously.

AYES: 6  
NOES: 0  
ABSTAINED: 0

6. ADJOURNMENT

Councilor Barton Mullins moved to adjourn the meeting and Councilor Forsythe seconded. The motion passed, and the meeting adjourned at 9:00 PM.

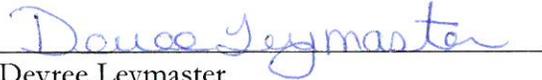
AYES: 6

NOES: 0

ABSTAINED: 0

**EXECUTIVE SESSION**

Council convened into Executive Session under the authority of ORD 192.660(2)(i) – Evaluation Employment Related performance of a Chief Executive Officer at 9:15 PM and adjourned at 9:40 PM.



Devree Leymaster  
City Recorder



Ted Tosterud  
Mayor

12-27-2018

Date of Signing

A complete recording and/or video of these proceedings is available.  
Contact the City of Fairview City Recorder Office, 1300 NE Village St., Fairview, OR 97024, (503) 674-6224.



**FAIRVIEW CITY COUNCIL HEARING**  
FAIRVIEW URBAN RENEWAL PLAN

ELAINE HOWARD CONSULTING, LLC

LIBERTY'S UNIVERSITY

This slide features a background image of a residential street with houses and a street sign. The text is overlaid in white on a blue-to-green gradient background.



**ROLE OF CITY COUNCIL**

Hear testimony on Fairview Urban Renewal Plan and vote on adoption of Fairview Urban Renewal Plan.

This slide features a background image of a person sitting on a bench. The text is overlaid in white on a blue-to-green gradient background.



**ROADMAP**

1. Why use Urban Renewal?
2. Crash Course – UR 101
3. Why Urban Renewal for Fairview?
4. Crash Course – UR 201
5. Plan Summary

This slide features a background image of a city skyline. The text is overlaid in white on a blue-to-green gradient background.



**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

This slide features a background image of a brick building with windows. The text is overlaid in white on a blue-to-green gradient background. It includes three icons: a building, a stack of coins, and a checklist.

UR 101

# CRASH COURSE | UR 101

Elaine Howard Consulting LLC

UR 101

# CRASH COURSE | UR 101



Elaine Howard Consulting LLC

UR 101

# CRASH COURSE | UR 101



**PROPERTY TAX INCREASES**  
1. 3% Appreciation  
2. Substantial Improvements

**PROPERTY TAX REVENUE**

**REGULAR TAXING JURISDICTIONS**  
City, County, Etc.

Elaine Howard Consulting LLC

UR 101

# CRASH COURSE | UR 101



**PROPERTY TAX INCREASES**  
1. 3% Appreciation  
2. Substantial Improvements

**PROPERTY TAX REVENUE**

**REGULAR TAXING JURISDICTIONS**  
City, County, Etc.

**CITY URBAN RENEWAL AREA**

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## WHY URBAN RENEWAL FOR FAIRVIEW?

Urban Renewal provides funding to implement city plans and address the barriers to development in the following ways:

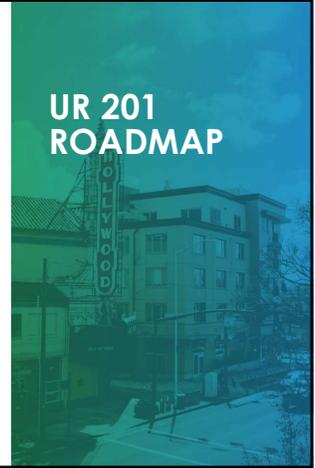
1. Improving infrastructure
2. Assisting private development
3. Participating in economic development



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## UR 201 ROADMAP

1. What is urban renewal?
2. What is "blight"?
3. How does an urban renewal area function?
4. How does urban renewal financing work/property tax basics.
5. State limitations on urban renewal
6. How is a plan adopted?

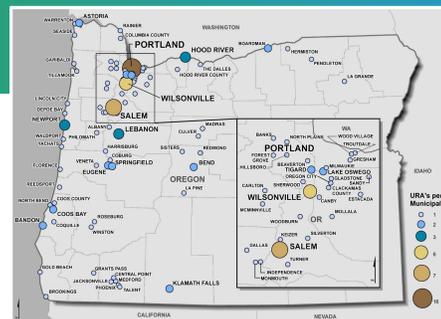


## UR 201 WHAT IS URBAN RENEWAL?

- Economic development tool
- Unique in that it is a financing tool, but also a plan with projects
- Used to address "blighting" influences in specific areas
- Functions on increases in property tax revenues in "Urban Renewal Areas"
- Used all over Oregon (Map on next slide)

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## CITIES WITH URBAN RENEWAL



UR 201

## WHAT IS BLIGHT?

- ❖ Blight is a precondition to any Urban Renewal Area
- ❖ Specific criteria defined by state statute, generally covers:
  - Underdevelopment or underutilization of property
  - Poor condition of buildings
  - Inadequacy of infrastructure including streets and utilities

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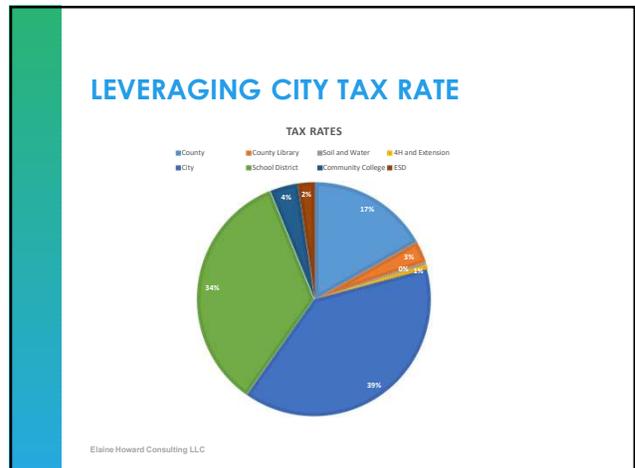
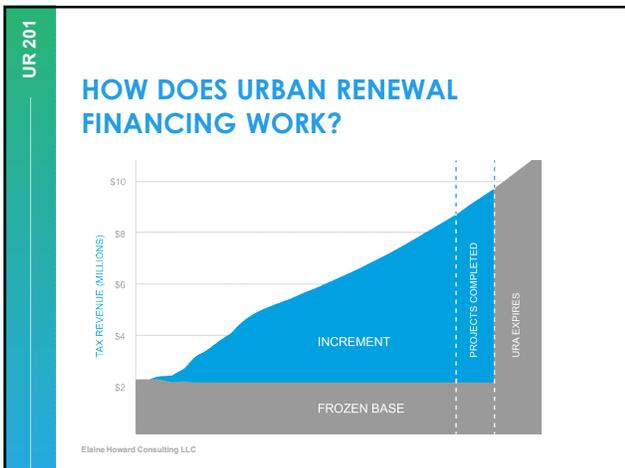
UR 201

## HOW DOES AN URBAN RENEWAL AREA FUNCTION?

1. **Income Source**
  - ❖ Yearly property tax collections based on growth within Boundary (more detail on mechanism 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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### 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	\$ 0.0800	\$8.00
City	\$ 5.1067	\$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	\$103,000.00
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	\$ 0.0800	\$8.00	\$8.24
City	\$ 5.1067	\$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	\$ 5.1067	\$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				\$39.31
<b>Total</b>	<b>\$ 13.1048</b>	<b>\$1,310.48</b>	<b>\$1,349.79</b>	<b>\$1,349.79</b>

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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:
  1. "Calculation" of TIF to be collected
  2. "Distribution" of TIF Citywide to property tax payers
  3. "Collection" of property tax revenues

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# URBAN RENEWAL UTOPIA

The following slides detail in a conceptual manner the steps an Assessor goes through to distribute TIF revenues to an Urban Renewal Agency:

1. Calculation
2. Distribution
3. Collection

## HYPOTHETICAL CITY

Houses in City 40  
Total AV 1st Year \$4,000,000

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## FORMATION OF URA

Houses in City 40  
Total AV 1st Year \$4,000,000  
25% First Year \$1,000,000  
Houses in URA 10

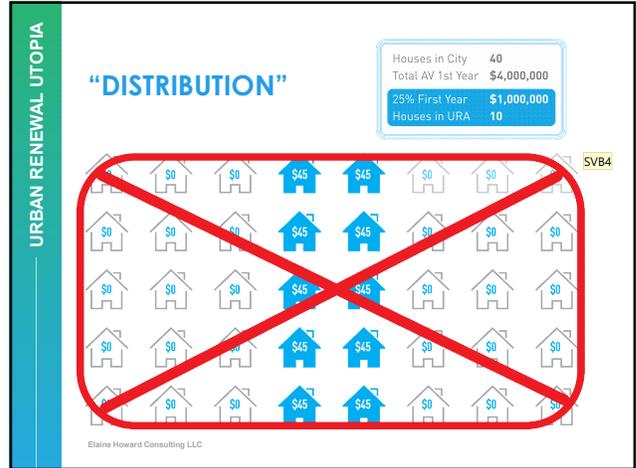
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## "CALCULATION"

Houses in City 40  
Total AV 1st Year \$4,000,000  
25% First Year \$1,000,000  
Houses in URA 10

Growth = 3% }  
Total URA AV Growth = \$30,000  
Tax Rate = 15.0000  
1st Year TIF = \$450

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## Slide 25

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**SVB3** Change values to 45 for each house.  
Scott Vanden Bos, 8/16/2018

## Slide 26

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**SVB4** Change values to 45 for each house  
Scott Vanden Bos, 8/16/2018

## Slide 27

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**SVB5** change value to 11.25 for each house  
Scott Vanden Bos, 8/16/2018

# UR 201 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 proposed urban renewal plan

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## UR 201

### 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 AND LOCAL SCHOOL DISTRICTS

An Indirect Impact

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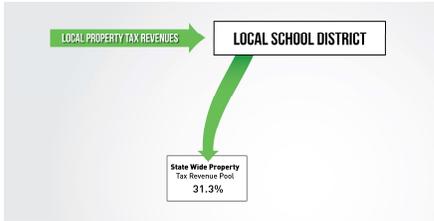
## URBAN RENEWAL IMPACT Regular Taxing District



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graph LR; A[LOCAL PROPERTY TAX REVENUES] --> B[REGULAR TAXING JURISDICTION]; B --> C[EXPENDITURES]; D[URBAN RENEWAL IMPACT] --> B; B --- E[Budgetary Process];
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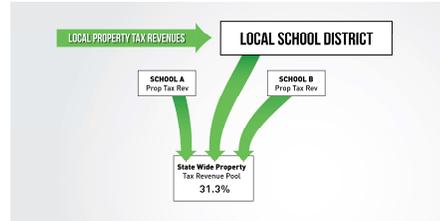
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## URBAN RENEWAL IMPACT Local Schools



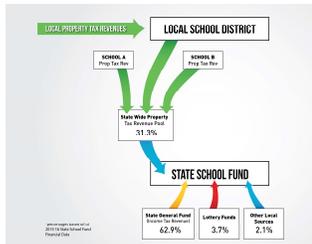
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## URBAN RENEWAL IMPACT Local Schools



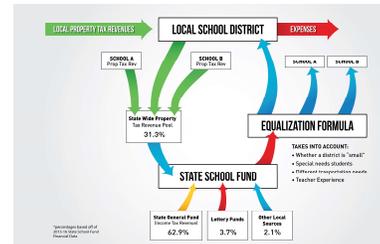
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## URBAN RENEWAL IMPACT Local Schools



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## URBAN RENEWAL IMPACT Local Schools

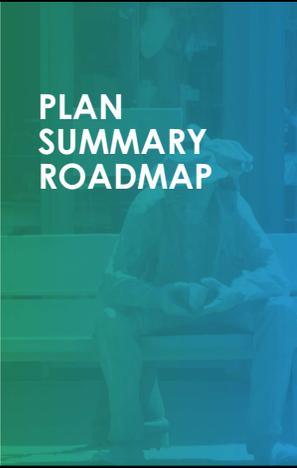


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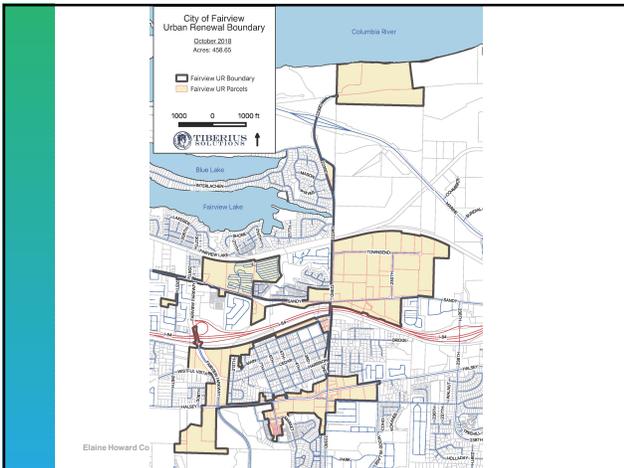
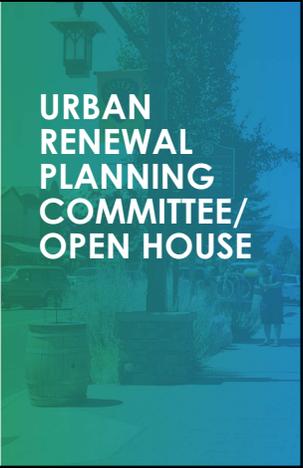
**PLAN SUMMARY ROADMAP**

1. Urban Renewal Planning Committee/Open House
2. Boundary
3. Projects
4. Financing
5. Impacts to Taxing Districts



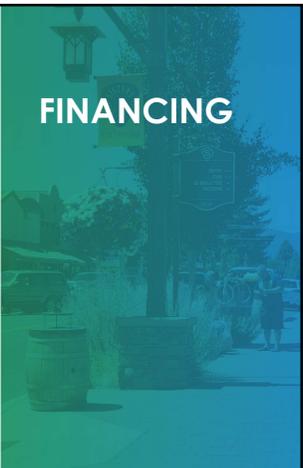
**URBAN RENEWAL PLANNING COMMITTEE/ OPEN HOUSE**

- 3 meetings of Urban Renewal Planning Committee
  - reviewed boundary
  - projects
  - allocations of funding to projects
  - financing
- Open House



**FINANCING**

- Maximum Indebtedness \$51,000,000
- \$\$ Needed \$60,135,749
- City provides upfront bridge loan of \$650,000
- One bond will be impacted for one year: estimated impact on \$100K of assessed value: 7 cents





## PROJECTS

- Incentives and assistance to private developers
- Public Infrastructure
- Economic Development
- Administration

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## INCENTIVES AND ASSISTANCE TO PRIVATE DEVELOPERS

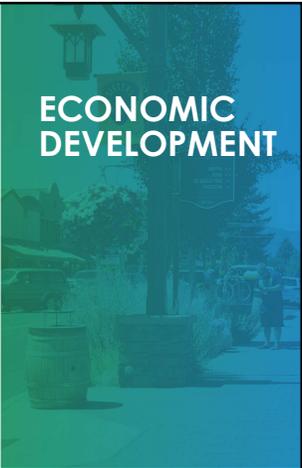
- A. Private Development Loan-to-Grant Program
- B. Utility System Development Charges Assistance



## PUBLIC INFRASTRUCTURE

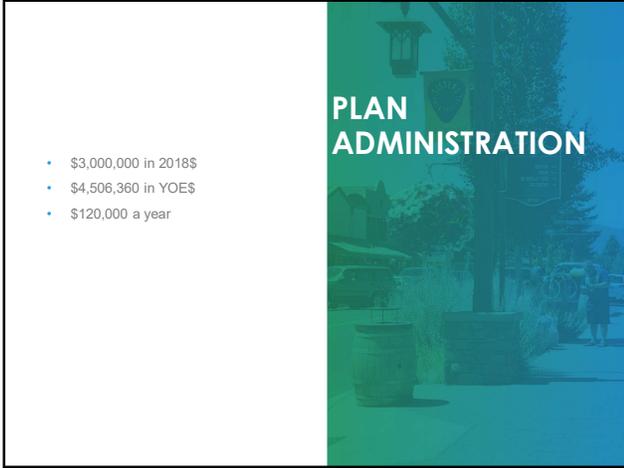
- A. Water System Well #10
- B. Reservoir #1 Rehabilitation
- C. Street Improvements Including Pedestrian and Bicycle Improvements
- D. Round-a-bout Features on Halsey Street's Major Intersections
- E. Streetscape Improvements on Halsey
- F. Sandy Sewer Trunk Line
- G. Streetscape Improvements on Fairview Parkway
- H. Trails Next to Rails
- I. Fairview Village Parking

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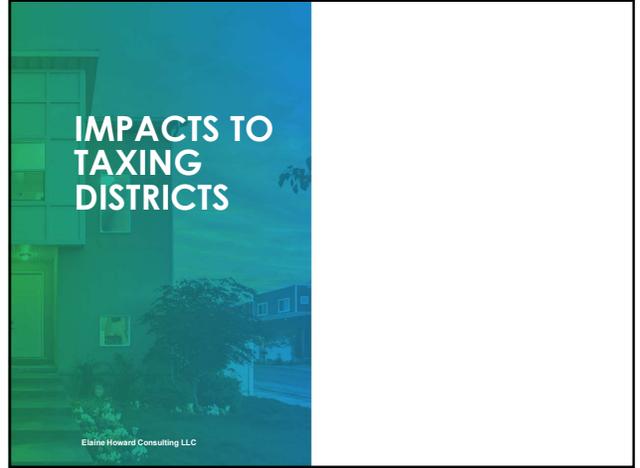
## ECONOMIC DEVELOPMENT

- A. Incentivize Village Live Work Developments
- B. Park-n-Ride with Transit and Bike Hub on PPL Property
- C. Purchase and Resale of Property for Development or Redevelopment



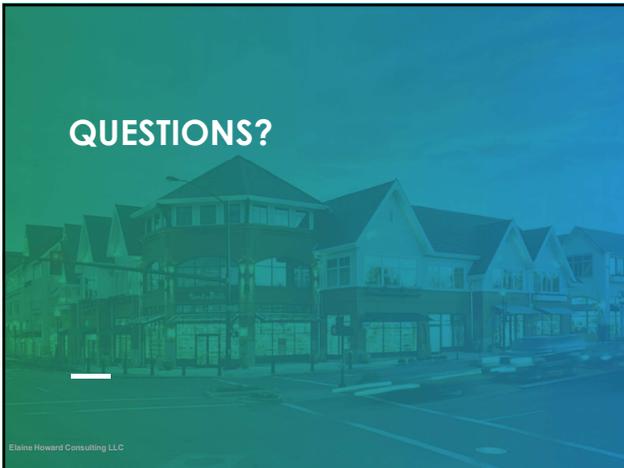
**PLAN ADMINISTRATION**

- \$3,000,000 in 2018\$
- \$4,506,360 in YOES\$
- \$120,000 a year



**IMPACTS TO TAXING DISTRICTS**

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**QUESTIONS?**

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