



FAIRVIEW URBAN RENEWAL AGENCY

Fairview City Hall-Council Chambers
1300 NE Village Street, Fairview, Oregon

WEDNESDAY, MARCH 6, 2019

1. Call to Order Immediately Following City Council Regular Session
Roll Call
2. Review and Adopt Minutes: October 3, 2018 & February 20, 2019 (A)
3. Discussion: System Development Charge (SDC) Assistance Programs (I)
4. Authorize IGA with City of Fairview: Resolution 3-2019 (A)
5. Authorize MOU for Bridge Loan: Resolution 4-2019 (A)
6. Authorize Fiscal Year 2018-19 Budget Appropriations: Resolutions 1-2019 (A)
7. Appoint Budget Committee Members: Resolution 2-2019 (A)
8. Adjournment

(A) Action requested (I) Information only

The meeting location is wheelchair accessible. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to 503.665.7929.

**MINUTES
CITY OF FAIRVIEW
URBAN RENEWAL AGENCY**

October 3, 2018

Agency Members

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

Staff

Lesla Folger, Finance Director
Elaine Howard, Consultant
Seth Thomas, PSU Fellow
Devree Leymaster, City Recorder

1. Call to Order
Roll Call

2. Forward Proposed Fairview Urban Renewal Plan for Formal Public Review: Motion
Consultant Elaine Howard briefed the Board on the proposed Plan, including adding NE Halsey within the boundary and updating the map and adding the Public Art category under Economic Development funded at \$500,019. These requests were incorporated as requested by the City Council at their October 1, 2018 work session.

Member Kudrna moved to approve forwarding the proposed Fairview Urban Renewal Plan to the Fairview Planning Commission for their review of the Plan's conformance to the Fairview Comprehensive Plan, to the Multnomah County Commission for briefing and then to the Fairview City Council for their review and vote on adoption. Member Forsythe seconded. The motion passed unanimously.

AYES: 6
NOES: 0
ABSTAINED: 0

3. Adjournment

The meeting adjourned by consensus at 7:30 PM.

Devree Leymaster
City Recorder

Ted Tosterud
Chair

Date of Signing

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

**MINUTES
CITY OF FAIRVIEW
URBAN RENEWAL AGENCY**

February 20, 2019

Agency Members

Brian Cooper, Board Chair
Cathi Forsythe
Mike Weatherby
Keith Kudrna
Darren Riordan
Natalie Voruz
Balwant Bhullar

Staff

Nolan Young, City Administrator
Devree Leymaster, City Recorder

1. Call to Order
Roll Call

2. Discuss Urban Renewal Agency Budget Committee Membership
City Administrator Young explained the URA is its own entity with its own powers, duties, and budget; and hence, requires its own budget committee. This committee is comprised of the seven board members and seven citizen members.
CA Young proposed two options for filling the seven citizen member positions: proceed with a recruitment process to fill the positions or have the city budget committee citizen members also serve as URA budget committee citizen members. The Board directed staff to pursue the latter.

3. Adjournment
Meeting adjourned by consensus at 8:34 PM.

AYES: 7
NOES: 0
ABSTAINED: 0

Devree Leymaster
City Recorder

Brian Cooper
Chair

Date of Signing

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



URBAN RENEWAL AGENCY AGENDA STAFF REPORT

MEETING DATE	AGENDA ITEM #	REFERENCE NUMBER
March 6, 2019	3.	2019-03

TO: Fairview Urban Renewal Agency Board

FROM: Nolan K. Young, City Administrator

DATE: February 28, 2019

ISSUE:

Discuss System Development Charge (SDC) Assistance Program.

RELATED COUNCIL GOALS:

Goal #5: Enhance and promote economic development activity.

Objective B: Investigate formation of an urban renewal district to identify and pursue economic development projects.

BACKGROUND:

City Council formed the Fairview Urban Renewal (UR) Agency on June 6, 2018. On November 7, 2018, the Council adopted the UR plan for the new Agency. One of the projects in the plan is “Utility System Development Charges assistance”. The intent of the program was to “Provide financial assistance to incentivize targeted development to provide full or partial assistance of Utility SDC with the agency reimbursing city utilities”.

The City Council, at its February 23 work session, identified the type of developments that they wished to incentivize. That list is attached as exhibit A. Exhibit B is a draft Utility Assistance Program based on the direction provided by the Council.

Prior to the Council work session the city’s Economic Development Advisory Committee (EDAC) reviewed the staff proposed program. Exhibit C is their recommendation. We have included the committee’s recommendation for the application process (section 2) in the staff proposal. The primary difference between the EDAC and staff recommendations is that the EDAC recommendation includes residential development. Their justification was that creating the number of potential customers for the desired commercial development through increased housing will help the commercial businesses be successful.

RECOMMENDED ACTION:

This program is on the agency’s agenda for discussion by the board and to provide direction to staff on drafting a final program for consideration by the board.

FAIRVIEW CITY COUNCILS
PERFERRED TYPE OF DEVELOPMENTS

February 23, 2019

The Fairview City Council at its goal work session on February 23, 2019 discussed what type of developments they wanted the City to provide incentives for. The first list below identifies type of developments they wish to provide incentives for. The second list identifies types of development they desired to not provide incentives for.

Preferred Developments:

1. Live-Work Facilities
2. Home Ownership (i.e. condos, single-family and starter homes)
3. Accommodations for Aging Population
4. Brew Pub and other drinking and eating businesses
5. Commercial and industrial businesses that create jobs
6. Garage/Store Front Program

Non-Preferred Development

1. Apartments/Multi- Unit Dwellings
2. Residential Rentals



City of Fairview Urban Renewal Agency Utility System Development Charges (SDC) Assistance Program

1. Program Overview

1.1: Purpose of the Program

The purpose of the Program is to encourage new development in the Urban Renewal area through full or partial payment of Fairview Utility System Development Charges (SDCs) with urban renewal revenue.

System development charges are used to provide funding for planning and infrastructure costs of growth. Though SDCs are generally a small portion of costs associated with development, paying for these costs may create an incentive for development to happen in the city and/or incentivize specific development desired by the community.

1.2: Program Description

The Urban Renewal Agency will incentivize specific developments that meet program criteria by agreeing to pay for the water, sanitary sewer and storm water SDCs assessed by each of the utilities. Parks and Open Space SDCs, and Water SDCs in the Rockwood Water PUD, are not included in the Program.

The Program provides utility SDC assistance by paying SDCs for approved projects that meet at least one development criteria identified by the Agency. Funds are subject to budget availability. Applicants for this program must submit a program application on the form provided by the Urban Renewal Agency and must include all support material required.

Developers/property owners are only eligible for one of the following for each development:

- The Utility System Development Charges (SDC) Assistance Program
- The Enterprise Zone Incentive Program, or
- The Vertical Housing Tax Credit

1.3: Amount of Assistance by Development Type

The following development types receive a percentage of SDC assistance based on compliance with Program criteria identified by the Agency:

- Commercial and Industrial Developments: 100% assistance
- Mixed-Use and Live/Work Development: 100% assistance for all buildings where the ground floor is all for commercial use.
- Owner occupied residential development.
- Residential development that accommodates the aging population.

The Agency has determined the below projects in Table A are ineligible for SDC assistance through this Program.

Table A: Ineligible Projects

- | |
|---|
| <ul style="list-style-type: none"><input type="checkbox"/> Developments exempt from property taxes<input type="checkbox"/> Residential development that is non-owner occupied including duplexes and apartment complexes, unless they qualify as accommodations for aging population .<input type="checkbox"/> Developments that use Enterprise Zone or Vertical Housing tax incentives |
|---|

1.4: Applicant Eligibility for the Program

To be eligible for SDC assistance under the Program, an applicant shall meet the qualifications in Table B.

Table B Applicant Minimum Qualifications

- | |
|---|
| <ul style="list-style-type: none"><input type="checkbox"/> Provides a statement that demonstrates the benefits the proposed eligible project will provide for the Fairview Urban Renewal Area.<input type="checkbox"/> Receive land use approval for project.<input type="checkbox"/> Applicant must have good credit: may not be in bankruptcy or in foreclosure or have unpaid tax liens, collections or charge-offs. Minimum credit score of 600.<input type="checkbox"/> Any other documentation required by the Agency or City staff. |
|---|

1.5: Program Criteria

Eligible projects must conform to the Program criteria as defined by the Agency. These criteria are provided to assure appropriateness of the proposed work and compatibility with the Fairview Urban Renewal funding criteria. All applicants who provide the Agency with eligible projects that meet at least one Program criteria may be eligible to receive SDC assistance.

Eligible proposals include industrial, commercial and residential mixed-use developments located within the urban renewal area (*see map attached*). Individual residencies are not eligible for funding under this program, unless they are owner occupied or they qualify as accommodations for the aging population.

During the application process, applicants must be current on all property taxes, mortgages, insurance and City utilities. Eligible proposals must demonstrate compatibility with at least one of the following Program criteria:

Table C Program Criteria

- | |
|--|
| <ul style="list-style-type: none"><input type="checkbox"/> Development is located in the Village Mixed Use Zone, Village Office Zone or Town Center Commercial Zone along Halsey Street<input type="checkbox"/> Development creates jobs (including self- employment) or provides potential for future job growth<input type="checkbox"/> Development increases the number of Live/Work buildings in Fairview<input type="checkbox"/> Development increases the number of mixed use structures in Fairview.<input type="checkbox"/> Development increases owner occupied housing including single-family homes and condominiums.<input type="checkbox"/> Development provides transitional housing for an aging population. |
|--|

2. Utility System Development Charges (SDC) Assistance Program Application Process

2.1: Time Frame

Applicants shall apply for the Program by submitting a completed application to the City no sooner than upon completion of the pre-application or no later than 10 days prior to applying for building permits, but prior to paying for and issuance of the permit and beginning construction. The City requires up to 10 business days to review and process applications.

2.2: Submittal Requirements

To apply for the Program, an applicant shall complete the following steps and submit the required documentation:

- 1) Complete initial Staff Consultation review of proposed project for program eligibility. To set up a Staff Consultation contact Senior Planner Sarah Selden at (503) 674-6242 or seldens@ci.fairview.or.us.
- 2) Complete City Application. Upon completion of the pre-application, the applicant may apply to the Utility SDC Assistance Program. The City will then inform the applicant of eligibility for the program prior to approval of land use application. The SDC Assistance applicant is then placed in a queue to receive SDC assistance. The applicant may receive SDC assistance upon application for the building permit.
 - a) The application should be accompanied by the following documentation:
 - i) Statement of development activity
 - ii) A legal property description
 - iii) Proof of ownership or site control
 - iv) A site plan
 - v) Tax/Plat Map indicating lots to be developed and proof of lot segregation as necessary
 - vi) The estimated SDC costs from a consultation with the City Permit Tech
 - vii) A City-provided form indicating that the applicant will not be put applying for either the Enterprise Zone or Vertical Housing Development Zone programs.
 - b) Your application must be complete in order to be reviewed.
- 3) Tentative Approval Letter. Staff will review application for completeness and eligibility. The City will inform the applicant if they are eligible for the Program, through a tentative approval letter, prior to approval of Land Use application. The applicant is then placed in a queue to receive SDC assistance. The applicant will receive SDC assistance upon application for the building permit if funds are available.

Final Approval: The applicant must present the Letter of Tentative approval to the City when building permits for the project are applied for. At that time, staff will determine availability of funds for projects and give final approval of urban renewal assistance.

3. Review and Award Process

3.1: Agency Review

Applications will be reviewed to assure an equitable process and that all aspects of the program guidelines are addressed. After review, City staff will make a decision to either approve or deny the application. If the application is denied, the applicant has the opportunity to appeal the decision to the Urban Renewal Agency.



City of Fairview Urban Renewal Agency Utility System Development Charges (SDC) Assistance Program

1. Program Overview

1.1: Purpose of the Program

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System development charges are used to provide funding for planning and infrastructure costs of growth. Though SDCs are generally a small portion of costs associated with development, paying for these costs may create an incentive for development to happen in the city and/or incentivize specific development desired by the community.

1.2: Program Description

The Urban Renewal Agency will incentivize specific developments that meet program criteria by agreeing to pay for the water, sanitary sewer and storm water SDCs assessed by each of the utilities. Parks and Open Space SDCs, and Water SDCs in the Rockwood Water PUD, are not included in the Program.

The Program provides utility SDC assistance by paying SDCs for approved projects that meet at least one development criteria identified by the Agency. Funds are subject to budget availability. Applicants for this program must submit a program application on the form provided by the Urban Renewal Agency and must include all support material required.

Developers/property owners are only eligible for one of the following for each development:

- The Utility System Development Charges (SDC) Assistance Program
- The Enterprise Zone Incentive Program, or
- The Vertical Housing Tax Credit

1.3: Amount of Assistance by Development Type

The following development types receive a percentage of SDC assistance based on compliance with Program criteria identified by the Agency:

- Commercial and Industrial Developments: 100% assistance
- Mixed-Use and Live/Work Development: 100% assistance
- Multi-family Residential development: 100% assistance
- Single-Family Residential and Duplexes: 100% assistance

The Agency has determined the below projects in Table A are ineligible for SDC assistance through this Program.

Table A Ineligible Projects

- Developments exempt from property taxes
- Developments that use Enterprise Zone or Vertical Housing tax incentives

1.4: Applicant Eligibility for the Program

To be eligible for SDC assistance under the Program, an applicant shall meet the qualifications in Table B.

Table B Applicant Minimum Qualifications

- Provides a statement that demonstrates the benefits the proposed eligible project will provide for the Fairview Urban Renewal Area.
- Receive land use approval for project.
- Applicant must have good credit: may not be in bankruptcy or in foreclosure or have unpaid tax liens, collections or charge-offs. Minimum credit score of 600.
- Any other documentation required by the Agency or City staff.

1.5: Program Criteria

Eligible projects must conform to the Program criteria as defined by the Agency. These criteria are provided to assure appropriateness of the proposed work and compatibility with the Fairview Urban Renewal funding criteria. All applicants who provide the Agency with eligible projects that meet at least one Program criteria may be eligible to receive SDC assistance.

Eligible proposals include industrial, commercial, residential and mixed use developments located within the urban renewal area (*see map attached*).

During the application process, applicants must be current on all property taxes, mortgages, insurance and City utilities. Eligible proposals must demonstrate compatibility with at least one of the following Program criteria:

Table C Program Criteria

- Development is located in the Village Mixed Use Zone, Village Office Zone or Town Center Commercial Zone along Halsey Street
- Development creates jobs or provides potential for future job growth
- Development increases the number of Live/Work buildings in Fairview
- Development increases the number of mixed use apartment complexes in Fairview
- Increase the number of residential units in Fairview

2. Utility System Development Charges (SDC) Assistance Program Application Process

2.1: Time Frame

Applicants shall apply for the Program by submitting a completed application to the City no sooner than up upon completion of the pre-application or no later than 10 days prior to applying for building permits, but prior to paying for and issuance of the permit and beginning construction. The City requires up to 10 business days to review and process applications.

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Final Approval: The applicant must present the Letter of Tentative approval to the City when building permits for the project are applied for. At that time, staff will determine availability of funds for projects and give final approval of urban renewal assistance.

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3.1: Agency Review

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URBAN RENEWAL AGENCY AGENDA STAFF REPORT

MEETING DATE	AGENDA ITEM #	REFERENCE NUMBER
March 6, 2019	4.	2019-04

TO: Fairview Urban Renewal Agency Board

FROM: Nolan K. Young, City Administrator

DATE: February 28, 2019

ISSUE:

Approval of and Intergovernmental Agreement (IGA) between the Fairview Urban Renewal Agency and the City of Fairview for administrative and financial services.

RELATED COUNCIL GOALS:

Goal #5: Enhance and promote economic development activity.

Objective B: Investigate formation of an urban renewal district to identify and pursue economic development projects.

BACKGROUND:

City Council formed the Fairview Urban Renewal (UR) Agency on June 6, 2018. On November 7, 2018, the Council adopted the UR plan for the new Agency. During the process of forming the district and adopting the plan it was determined that the Agency would obtain the necessary operational capacity that it needed from the City. The attached IGA formalizes that relationship.

RECOMMENDED ACTION:

Approve Resolution 3-2019 and rely upon city staff to operate the Urban Renewal Agency

ALTERNATIVE ACTIONS:

Choose **not** to acquire administrative and financial services from the city and identify a third party from which to obtain those services.

BUDGET IMPLICATIONS:

The Urban Renewal Plan includes the allocation of resources to pay for administration of the Plan. Through this intergovernmental agreement, the agency will pay the city for the initial costs of forming the Urban Renewal Agency and the costs of doing additional projects for the agency. It is the intent of the city to not start charging for employee services provided to the agency until July 1, 2019.

URA BOARD ALTERNATIVES:

1. **Staff Recommendation:** Move to adopt Resolution 1-2019. This will authorize signing the proposed IGA.
2. Amend the proposed IGA and then adopt Resolution 1-2019.
3. Decline to adopt Resolution 1-2019 and determine another way to obtain these services.



URBAN RENWAL
RESOLUTION
(3 - 2019)

**A RESOLUTION OF THE FAIRVIEW URBAN RENEWAL BOARD AUTHORIZING
SIGNATURE OF AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF
FAIRVIEW FOR OPERATING AND FINANCIAL SERVICES**

WHEREAS, the Fairview City Council held a public hearing and adopted Ordinance 5-2018 on June 6, 2018, creating the Fairview Urban Renewal Agency; and

WHEREAS, the Fairview City Council held a public hearing and adopted Ordinance 8-2018 on November 7, 2018, adopting the Fairview Urban Renewal Plan; and

WHEREAS, the Fairview Urban Renewal Agency desires to start implementation of the Urban Renewal Plan; and

WHEREAS, the Urban Renewal Agency needs to obtain the necessary operational and financial capacity to operate the Urban Renewal Agency and pursue projects, and

WHEREAS, the City of Fairview has the desired operational and financial capacity to assist the Agency.

**NOW, THEREFORE, BE IT RESOLVED BY THE FAIRVIEW URBAN RENEWAL
AGENCY BOARD AS FOLLOWS:**

Section 1 The Agency Board authorizes the board chair to sign the proposed IGA with the City of Fairview, attached as exhibit A to this resolution.

Section 2 This resolution is and shall be effective from the day of its passage.

Resolution adopted by the Fairview Urban Renewal Agency Board, this 6th day of March, 2019.

ATTEST

Chair, Fairview Urban Renewal Board
Brian Cooper

City Recorder, City of Fairview
Devree Leymaster

Date

**INTERGOVERNMENTAL AGREEMENT BETWEEN
THE CITY OF FAIRVIEW AND THE FAIRVIEW
URBAN RENEWAL AGENCY**

This Intergovernmental Agreement (Agreement) is entered into between The City of Fairview (“City”), an Oregon municipal corporation established under ORS Chapter 221, and the Fairview Urban Renewal Agency (“Agency”), a municipal corporation established under ORS Chapter 457.

WHEREAS, the Agency is charged with administering and implementing The Fairview Urban Renewal Plan (“Plan”), as adopted by the agency board on November 7, 2018, and will be engaging in redevelopment activities to carry out the plan; and

WHEREAS, the City has experience in the provisions of administrative services for local governments and in planning and constructing public improvements and desires to assist the Agency in the planning and carrying out of the Plan, pursuant to ORS 457.320; and

WHEREAS, the City has the desire and the money to loan the Agency for implementation of the Plan as long as said funds are reimbursed to the City.

WHEREAS, pursuant to ORS 190.010, the City and Agency are authorized to enter into intergovernmental agreements for the performance of functions and activities either one is authorized by law to perform.

NOW, THEREFORE, THE CITY OF FAIRVIEW AND THE FAIRVIEW URBAN RENEWAL AGENCY AGREE AS FOLLOWS:

Section 1: City Duties and Responsibilities Nothing herein shall be construed to prohibit the Agency from contracting with third parties to provide any of the services listed below.

As requested and authorized by the Agency, the City shall provide administrative and development services to the Agency and undertake urban renewal activities as set forth in the adopted Plan, including but not limited to the following:

- a. **Accounting:** The City shall provide accounting services to the Agency for the fiscal tracking of Agency revenues and expenditures. In doing so, the City shall provide the necessary accounting services to make payments on behalf of the Agency and receipt resources received on behalf of the Agency. The City shall also provide the Agency financial reports every accounting period that detail revenues, expenditures, debt, and cash flow data for the Agency’s urban renewal funds.
 - i. Accounting System: The City shall maintain an accounting system for the Agency and charge expenses directly to the Agency through that system.

- ii. Segregation of Funds: The City shall segregate all Agency funds into an urban renewal fund in the City's financial accounting system and shall be responsible for maintaining that segregation.
 - iii. Debt Service Payments: The City shall make all debt service payments from Agency funds on behalf of the Agency as such payments come due.
 - iv. Annual Agency Audit: In order to comply with all provisions in ORS 297.405 through 297.555, the City shall contract on behalf of the Agency for an external audit of the Agency's year-end financial statements and accounting transactions. The City shall prepare the financial statements and manage the audit process.
- b. **Administrative Services:** The City will provide the following administrative services to the Agency: records management and record-keeping, human resources, engineering, planning services, legal services, purchasing information, technology services including internet and telephone service, office space and supplies, staff support for meetings (including preparation of meeting notices, agendas and minutes) and budget preparation and oversight.

In doing so, the City shall provide such services in compliance with the laws of the State of Oregon, and in accordance with the Plan and this Agreement.

- c. **Financial Assistance:** Pursuant to ORS 457.320, the City may loan money and provide other forms of financial assistance to the Agency in order to assist in carrying out the Plan. Any such assistance is to be properly documented and contain adequate provisions for the repayment of any loan made by the City to the Agency. Interest on any loan will be calculated based on the rate the City would receive if those funds were invested in the Local Government Investment Pool (base rate) +1.5%. The rate shall be annual and will be set July 1 of each Fiscal Year. Compounding of interest will correspond with the repayment schedule. The base rate will be calculated as an average of the prior 12 months, or the rate for the preceding month, whichever is higher.
- i. The City agrees to act, when appropriate upon request of the Agency, as the agent of the Agency for purposes of forming local improvement districts, awarding bids, assessments, and all other usual and necessary activities normally performed by the City with reference to public improvement projects in the City.
 - ii. The City agrees to exercise its powers under the law to facilitate carrying out the Plan at no cost to the Agency, except as provided for elsewhere in this agreement; except the Agency shall pay all required City fees and charges.

- d. **Insurance:** The Agency shall secure liability, property, and casualty insurance. The City will assist the Agency in acquiring the necessary insurance from the City's insurer or another vendor.

Section 2: Agency Duties and Responsibilities

- a. **Financial Management and Review:** The Agency is responsible for the oversight and management of the Plan and its projects, including, but not limited to: oversight of the fiscal health of the Agency and its authorized plan projects, management decisions affecting the fiscal status of the Agency, threshold and capacity of the Agency, and monitoring of all Agency revenues and expenditures. This includes annual budgeting and budget review of plan projects and funds, as required by Oregon local budget law (ORS 294.305 through 394.565). The Agency shall coordinate with the City as necessary to ensure proper oversight and management of Agency activities.
- b. **Annual Reporting:** Pursuant to ORS 457.460, the Agency shall prepare and provide both the Agency Board and City an annual financial report on the Agency and its projects no later than January 31 of each year.
- c. **Financial Assistance:** The Agency is authorized to loan money and provide other forms of financial assistance to the City as the Agency Board, in its sole discretion, determines appropriate to carry out one or more projects described in the Plan.
 - i. The Agency shall repay the City all contract expenses related to the Plan and report. Repayment shall be on a schedule mutually agreed to by the Agency and City, but no longer than five years from the signing of this agreement.

Section 3: Shared Duties and Responsibilities

- a. **Issuance of Debt for Urban Renewal Activity:** The Agency is ultimately responsible for negotiating and securing debt for the purpose of carrying out the Plan. City staff may assist the Agency with negotiating and securing debt by providing financial administrative assistance. Through a separate Memorandum of Understanding (MOU), the City may agree to issue debt for the Agency with the Agency assuming financial responsibility for any associated debt service.
- b. **Agency Staffing:** The City shall provide and supervise staff that performs Agency functions. City employees engaged in Agency activities are employees of the City and subject to the City's employment policies, procedures, and standards. It is also the intent of the parties that the services performed by City employees on behalf of the Agency shall not interfere with the ability of such employees to carry out their duties for the City.

- c. **Reimbursement for Services:** The City may seek reimbursement from the Agency for reasonable costs of services provided on behalf of the Agency. The City shall provide sufficient documentation and detail of service provided to the Agency.

Section 4: Additional Terms

- a. **Severability:** If any section, clause or phrase of this Agreement is judicially deemed invalid, illegal or unenforceable in any respect, the remaining parts of this Agreement shall be severed from the invalid parts and remain in full force and effect.
- b. **Indemnification:** The City agrees to save and hold harmless the Agency against all claims, suits, or actions whatsoever which arise out of or result from the negligent or intentional acts of the City's Officials, employees, and agents in providing the services pursuant to this Agreement
- c. **Modification:** This Agreement may be modified by mutual written consent of the parties. Any modification to a provision of this Agreement shall have no effect upon other provisions in this Agreement unless stated in writing.
- d. **Term and Termination:** This Agreement shall remain in effect until terminated by the parties as provided in this Section. Termination of this Agreement may be made by mutual consent of the parties and shall not affect the duties and obligations of the parties that occurred prior to the termination (including any bond, loan or other repayment obligations).
- e. **Effective Date:** This Agreement is effective upon the latest date it is executed by the parties below.
- f. **Entire Agreement:** This Agreement sets forth the entire understanding between the parties with respect to the subject matter of this Agreement and supersedes any and all prior understandings and agreements, whether written or oral, between the parties with respect to such subject matter.
- g. **Non-Agency Relationship:** Nothing in this Agreement is to be interpreted as creating or constituting an agency relationship between the parties. Each party remains separate and neither assumes the debts or obligations of the other by entering into this Agreement.

WHEREAS, all of the form mentioned is hereby agreed upon by the parties and executed by the duly authorized signatures below.

CITY OF FAIRVIEW

FAIRVIEW URBAN RENEWAL AGENCY

City Administrator Date

Agency Chair Date

Approved to Form:

City Attorney Date



URBAN RENEWAL AGENCY AGENDA STAFF REPORT

MEETING DATE	AGENDA ITEM #	REFERENCE NUMBER
March 6, 2019	5.	2019-05

TO: Fairview Urban Renewal Agency Board

FROM: Nolan K. Young, City Administrator

DATE: February 28, 2019

ISSUE:

Approve a Memorandum of Understanding (MOU) between the Fairview Urban Renewal Agency and the City of Fairview for a \$650,000 bridge loan from the City.

RELATED COUNCIL GOALS:

Goal #5 Enhance and promote economic development activity.

Objective B: Investigate formation of an urban renewal district to identify and pursue economic development projects.

BACKGROUND:

City Council formed the Fairview Urban Renewal (UR) Agency on June 6, 2018. On November 7, 2018, the Council adopted the UR plan for the new agency. During the process of forming the district and adopting the plan it was determined that in order to allow the agency to immediately start pursuing projects, the city would loan the agency \$650,000 from the city's general fund excess reserve.

The March 6 Agency agenda includes an intergovernmental agreement (IGA) that among other provisions allows for the city to provide loans to the agency. Attached is a MOU that formalizes the proposed \$650,000 loan from the city to the agency.

Without the loan the agency would not be able to proceed with projects, including repaying the city for contractual services to form the agency, until November 2019, when it receives its first tax increment funds. It would be an additional one or two years before it could issue its first debt. By using a portion of the bridge loan to pay for the first year, or two, of the debt payments the agency will be able to obtain a loan for \$3.4 million in the summer of 2019. This will greatly enhance the agency's ability to proceed with projects, which will then help generate additional tax increment revenue, which will be used to pay off the debt and allow for the additional loans that would in turn create additional tax revenue.

RECOMMENDED ACTION:

Approve the proposed MOU.

ALTERNATIVE ACTIONS: Choose **not** to approve the MOU and not obtain the \$650,000 loan. Wait on proceeding with any Urban Renewal projects or issuing any debt until sufficient tax increment revenue is available.

BUDGET IMPLICATIONS:

The \$650,000 loan will allow the agency to start proceeding with projects as identified in the proposed budget amendment which is also on the Agency's March 6 agenda.

URA BOARD ALTERNATIVES:

1. **Staff Recommendation:** Adopt Resolution 4-2019, approving signature of the proposed MOU.
2. Amend the proposed MOU and then adopt resolution 4-2019.
3. Decline to adopt Resolution 4-2019 and wait to proceed with urban renewal projects until sufficient tax increment revenue is available.



URBAN RENEWAL
RESOLUTION
(4 - 2019)

**A RESOLUTION OF THE FAIRVIEW URBAN RENEWAL BOARD AUTHORIZING
SIGNATURE OF A MEMORANDUM OF UNDERSTANDING WITH THE CITY OF
FAIRVIEW FOR A \$650,000 BRIDGE LOAN**

WHEREAS, the Fairview City Council held a public hearing and adopted Ordinance 5-2018 on June 6, 2018, creating the Fairview Urban Renewal Agency; and

WHEREAS, the Fairview City Council held a public hearing and adopted Ordinance 8-2018 on November 7, 2018, adopting the Fairview Urban Renewal Plan; and

WHEREAS, the Fairview Urban Renewal Agency desires to start implementation of the Urban Renewal Plan as soon and expediently; and

WHEREAS, the Urban Renewal Agency is in need of financial resources pursue its plan; and

WHEREAS, the City of Fairview has available funds that it can loan the Urban Renewal Agency.

**NOW, THEREFORE, BE IT RESOLVED BY THE FAIRVIEW URBAN RENEWAL
AGENCY BOARD AS FOLLOWS:**

Section 1 The Agency Board authorizes the board chair to sign the proposed MOU with the City of Fairview, attached as exhibit A to this resolution.

Section 2 This resolution is and shall be effective from the day of its passage.

Resolution adopted by the Fairview Urban Renewal Agency Board, this 6th day of March, 2019.

ATTEST

Chair, Fairview Urban Renewal Board
Brian Cooper

City Recorder, City of Fairview
Devree Leymaster

Date

Memorandum of Understanding

This Memorandum of Understanding (“MOU”) represents an agreement between the City of Fairview (“City”), and the Fairview Urban Renewal Agency (“Agency”), (collectively, the “Parties”) regarding a bridge loan from the City to the Agency in the amount of \$650,000.

Recitals:

1. March 6, 2019 the City and Agency signed an Intergovernmental Agreement (IGA).
2. Section 1(c) of the IGA allows for the City to provide financial assistance to the Agency in the form of an interest bearing loan.
3. The Agency desires to borrow \$650,000 from the City to fund its activities until other resources are available to the Agency.
4. The City is willing and legally able to loan the requested funds from its General Fund Contingency-Excess Reserves line item.

The Parties agree as follows:

Section 1: Loan

The City will loan the Agency the sum of \$650,000 on March 6, 2019, for a term not to exceed five years.

Section 2: Interest Rate

- a. The Agency agrees to pay interest on any outstanding principal from March 6, 2019 to June 30, 2019 at the equivalent of an annual interest rate of 4.25%. Said interest shall be paid to the City on June 30, 2019.

The annual interest rate on any outstanding principal after June 30, 2019 will be set on July 1 of each year for that fiscal year. The interest rate will equal the Local Government Investment Pool (base rate) +1.5%. The base rate will be calculated as an average of the prior 12 months, or the rate for the preceding month, whichever is higher. The interest incurred for fiscal each year will be due and payable on June 30. Any loan from the City to the Agency is further governed by section 1(c) of the IGA between the parties dated March 6, 2019.

Section 3: Principal Payments

The Agency may make payments of any amount of the principal owing at any time as long as the entire loan is repaid by March 6, 2024.

IN WITNESS WHEREOF, the Parties hereto have entered into this MOU as of the 6th day of March 2019.

CITY OF FAIRVIEW

FAIRVIEW URBAN RENEWAL AGENCY

By: _____
Nolan K Young, City Administrator

By: _____
Brian Cooper, Board Chair



URBAN RENEWAL AGENDA STAFF REPORT

MEETING DATE	AGENDA ITEM #	REFERENCE NUMBER
March 6, 2019	6.	2019-06

TO: Fairview Urban Renewal Agency Board

FROM: Nolan K. Young, City Administrator

DATE: February 26, 2019

ISSUE:

Adoption of Fairview Urban Renewal Agency (URA) FY 2018-19 budget.

RELATED COUNCIL GOALS:

Goal #5 Enhance and promote economic development activity.

BACKGROUND:

City Council formed the Fairview Urban Renewal (UR) Agency on June 6, 2018. On November 7, 2018, the Council adopted the UR plan for the new Agency.

The agenda for the March 6, 2019 City Council and Urban Renewal Agency meetings include consideration of an intergovernmental agreement (IGA) that creates financial arrangements and other operational considerations between the City of Fairview and the new URA and an memorandum of understanding (MOU) authorizing a \$650,000 bridge loan from the City to the URA to jumpstart its activities..

Resolution 1-2019 requests the Agency consider adoption of a budget for FY 2018-19. The total proposed budget amount for FY 2018-19 is \$650,000. The proposed budget is presented below. Resources for this budget originate from the proposed \$650,000 bridge loan from the City of Fairview.

Establish a Fiscal Year 2018-19 Budget for the Fairview Urban Renewal Agency			
Urban Renewal Fund	Existing Budget	Proposed Change	Adjusted Budget
RESOURCES			
Revenue from City General Fund	\$ -	\$ (650,000)	\$ (650,000)
EXPENDITURES			
Materials & Services	-	133,000	133,000
Contingency	-	517,000	517,000
Total Appropriations	\$ -	\$ 650,000	\$ 650,000

The \$133,000 materials and services appropriation is for the following expenditures:

- Consulting Services \$131,000
 - URA Plan and report \$45,966*
 - Recording Plan & Misc. \$1,034
 - Vacant Lot Development \$24,000
 - Roundabout Feasibility \$20,000*
 - Flood Plain Study \$20,000
 - PSU Fellow (50%) \$20,000*
 - Legal Services \$ 2,000
- * Expenditures already partially or fully paid for by the City (to be reimbursed).

The proposed budget includes a contingency of \$517,000. This is the amount remaining after the expected materials and services expenses have been met. Contingency funds can be appropriated if needed prior to July 1, 2019. If the contingency funds are not needed, they will be included in the FY 2019-20 URA Budget.

URA BOARD ALTERNATIVES:

1. **Staff Recommendation:** Adopt Resolution 01-2019, adopting a Fairview Urban Renewal Agency Budget for FY 2018-19.
2. Decline to adopt Resolution 01-2019 and postpone any Urban Renewal expenditures until FY 2019-20.



**URBAN RENEWAL
RESOLUTION**
(1 - 2019)

**A RESOLUTION OF THE FAIRVIEW URBAN RENEWAL BOARD AUTHORIZING
BUDGET APPROPRIATIONS FOR THE URBAN RENEWAL AGENCY**

WHEREAS, the Fairview City Council held a public hearing and adopted Ordinance 5-2018 on June 6, 2018, creating the Fairview Urban Renewal Agency; and

WHEREAS, the Fairview City Council held a public hearing and adopted Ordinance 8-2018 on November 7, 2018, adopting the Fairview Urban Renewal Plan; and

WHEREAS, the Fairview Urban Renewal Agency desires to start implementation of the Urban Renewal Plan; and

WHEREAS, the Urban Renewal Agency wishes to adopt a budget identifying resources and expenditures.

NOW, THEREFORE, BE IT RESOLVED BY THE FAIRVIEW URBAN RENEWAL AGENCY BOARD AS FOLLOWS:

Section 1 The Agency Board hereby adopts the proposed budget for Fiscal Year 2018-19 in the total amount of \$650,000.

Section 2 The Agency Board hereby makes the following appropriations in the amounts stated for Fiscal Year 2018-19:

Establish a Fiscal Year 2018-19 Budget for the Fairview Urban Renewal Agency			
Urban Renewal Fund	Existing Budget	Proposed Change	Adjusted Budget
RESOURCES			
Revenue from City General Fund	\$ -	\$ (650,000)	\$ (650,000)
EXPENDITURES			
Materials & Services	-	133,000	133,000
Contingency	-	517,000	517,000
Total Appropriations	\$ -	\$ 650,000	\$ 650,000

Section 3 This resolution is and shall be effective from the day of its passage.

Resolution adopted by the Fairview Urban Renewal Agency Board, this 6th day of March, 2019.

ATTEST

Chair, Fairview Urban Renewal Board
Brian Cooper

City Recorder, City of Fairview
Devree Leymaster

Date



URBAN RENEWAL AGENDA STAFF REPORT

MEETING DATE	AGENDA ITEM #	REFERENCE NUMBER
March 6, 2019	7.	2019-07

TO: Fairview Urban Renewal Agency Board

FROM: Devree Leymaster, City Recorder

THRU: Nolan K. Young, City Administrator

DATE: February 26, 2019

ISSUE:

Appoint citizen members to the Urban Renewal Budget Committee.

BACKGROUND:

City Council formed the Fairview Urban Renewal Agency (URA) on June 6, 2018. On November 7, 2018, the Council adopted the UR plan for the new Agency. The URA is its own entity with its own powers, duties, and budget; and hence, requires its own budget committee. This committee is comprised of the seven board members and seven citizen members.

At the February 20 URA meeting, the Board was presented two options: proceed with a recruitment process to fill the seven citizen member positions or have the city budget committee citizen members also serve as URA budget committee citizens members. The Board directed staff to pursue the latter.

Staff contacted current city budget committee members and confirmed their willingness to serve simultaneously on both budget committees.

URA BOARD ALTERNATIVES:

1. **Staff Recommendation:** Adopt Resolution 2-2019. This will make the citizen membership to the urban renewal budget committee consist of the city budget committee members to serve simultaneously on each budget committee.
2. Decline to adopt Resolution 01-2019 and defer appointments to the Urban Renewal Budget Committee.



URBAN RENEWAL
RESOLUTION
(2-2019)

**A RESOLUTION OF THE FAIRVIEW URBAN RENEWAL BOARD APPOINTING
MEMBERS TO THE FAIRVIEW URBAN RENEWAL BUDGET COMMITTEE**

WHEREAS, the Fairview Urban Renewal Budget Committee is composed of fourteen members with seven members of the Board and seven citizen members; and

WHEREAS, the Board discussed the Budget Committee membership at their February 20, 2019 meeting; and

WHEREAS, the Board desires that the seven citizen members shall consist of the appointed citizen members of the Fairview Budget Committee; and

WHEREAS, the citizen membership positions and terms will be consistent with the Fairview Budget Committee.

**NOW, THEREFORE, BE IT RESOLVED BY THE FAIRVIEW URBAN RENEWAL
AGENDY BOARD AS FOLLOWS:**

Section 1 The seven citizen members of the Urban Renewal Budget Committee shall consist of the appointed citizen members of the Fairview Budget Committee.

Section 2 This resolution is and shall be effective from the day of its passage.

Resolution adopted by the Urban Renewal Agency Board, this 20th day of February, 2019.

ATTEST

Chair, Fairview Urban Renewal Board
Brian Cooper

City Recorder, City of Fairview
Devree Leymaster

Date