



AGENDA

VENETA URBAN RENEWAL AGENCY

MONDAY, SEPTEMBER 12, 2016, immediately following the City Council meeting
Veneta Administrative Center - 88184 8th Street - Veneta, Oregon

- 1. CALL TO ORDER**
- 2. PUBLIC COMMENT**
- 3. CONSENT AGENDA**
 - a. Minutes for August 8, 2016 (pg. 3)
- 4. FINANCIAL ACTIVITY & FUND BALANCE REPORT - JULY 1, 2015 TO JUNE 30, 2016 (pgs. 5-6)**
- 5. UPDATE ON DOWNTOWN RETAIL MARKET ANALYSIS (pgs. 7-14)**
- 6. OTHER**
- 7. ADJOURN**

Minutes of the Veneta Urban Renewal Agency August 8, 2016

Present: Sandra Larson, Thomas Cotter, Tim Brooker, Thomas Laing, and Laura Ruff

Staff: Ric Ingham, City Administrator; Shauna Hartz, Finance Director; Kay Bork, Community Development Director; Kyle Schauer, Public Works Director; Claudia Denton, Economic Development Specialist; Darci Henneman, City Recorder, Joan Mariner, Fern Ridge Review

1. CALL TO ORDER

Mayor Larson called the Veneta Urban Renewal Agency meeting to order at 8:13 p.m.

2. PUBLIC COMMENT

None

3. CONSENT AGENDA

MOTION: Thomas Cotter made a motion to approve the Consent Agenda as presented. Tim Brooker seconded the motion.

VOTE: Thomas Laing, aye; Thomas Cotter, aye; Sandra Larson, aye; Laura Ruff, aye; Tim Brooker, aye.

4. OTHER

Ingham said the handout information provided tonight addresses the \$40,000 included in the 2016-17 Agency budget to complete a Retail Market and Development Strategy. He said staff had discussions with the Dept. of Land Conservation and Development (DLCD). From that, they agreed to provide \$10,000. He said RDI is interested in bringing \$10,000 to the project to assist with staffing. He said Bork then put that all together and tweaked the scope of work from the original \$40,000 project. At this point we can roll this out and bring RDI under contract and we may also contract with other entities to pull other pieces into the project but the final deliverable will be a five to seven year next step strategy for downtown. He said we're at the point where we've made significant investment to our downtown and we need to determine which steps to take next - should we take on a bold project, focus on several smaller projects, and what is the best understanding of what the retail demands are so we can fill the need for retail space and/or encourage retail development in the downtown core?

He said we're thinking the project would come in at \$20,000 or less and it would be part of the next R.A.R.E. participant's work plan. He said Bork will be the City staff lead and will work with Michael Held and Mary Bosch from RDI on about a 10 month scope of work. He said we don't need Agency authorization because it's already budgeted and included in the upcoming work plan. Ingham said Bork just received the final authorization from DLCD today.

In response to a question from Chair Larson, Ingham said there will be an active role for the Economic Development Committee in all of this.

5. ADJOURN

Chair Larson adjourned the Veneta Urban Renewal Agency at 8:16 p.m.

XXXXXXXXXXXXXXXXXX

Sandra H. Larson, Chair

XXXXXXXXXXXXXXXXXX

Darci Henneman, City Recorder

Veneta Urban Renewal Agency
 Financial Activity and Fund Balance Report
 For Fiscal Year 2015-2016

Pre-Audit Report
 Fiscal Year to Date Through June 30, 2016

GENERAL FUND	<u>Adopted Budget</u>	<u>Actual Results</u>	<u>Variance</u>
RESOURCES			
Beginning Fund Balance	217,192	390,710	(173,518)
Available from Loan Proceeds	300,000	300,000	0
Interest Income	750	1,675	(925)
TOTAL RESOURCES	517,942	692,386	(174,444)
EXPENDITURES			
Materials and Services:			
Administrative Supplies	1,800	3,552	(1,752)
Re-Development Toolkit	25,500	5,286	20,214
Debt Issuance Costs	1,000	1,000	0
Consultant Fees-Farmer's Market	4,100	60	4,040
COV Administrative Services	10,000	10,000	0
Legal Fees	2,500	0	2,500
Audit Fees	600	213	387
Secure Farmer's Market Site	10,000	0	10,000
Other Professional Services	10,000	0	10,000
Total Materials and Services	65,500	20,111	45,389
Transfers:			
COV Personal Services	1,000	1,219	(219)
COV Water	180,000	180,000	0
Total Transfers	181,000	181,219	(219)
Contingency	5,000	0	5,000
Appropriated Expenditures	251,500	201,330	50,171
Ending Fund Balance	266,442	491,056	(224,614)
TOTAL EXPENDITURES	517,942	692,386	(174,444)

Veneta Urban Renewal Agency
 Financial Activity and Fund Balance Report
 For Fiscal Year 2015-2016

Pre-Audit Report
 Fiscal Year to Date Through June 30, 2016

	<u>Adopted Budget</u>	<u>Actual Results</u>	<u>Variance</u>
DEBT SERVICE FUND			
RESOURCES			
Beginning Fund Balance	1,018,344	1,156,151	(137,807)
Interest Income	750	4,957	(4,207)
Previously Levied Taxes	11,000	14,368	(3,368)
Interest on Taxes (with regular payments)	1,500	1,678	(178)
Investment Income on Property Taxes	100	144	(44)
In-Lieu Taxes	1,000	1,204	(204)
Total Resources Except Taxes	1,032,694	1,178,502	(145,808)
Tax Increment Revenues	643,555	663,220	(19,665)
TOTAL RESOURCES	1,676,249	1,841,722	(165,473)
EXPENDITURES			
Debt Service:			
"Du Jour" Loan			
Loan Principal & Interest	300,100	0	300,100
Water Bonds: Issued Feb 15, 2001			
Series 2001 Bond Principal	200,000	200,000	0
Series 2001 Bond Interest	77,688	77,688	0
Bond Agent Fees	450	450	0
Total Debt Service	578,238	278,138	300,100
Contingency	0	0	0
Appropriated Expenditures	578,238	278,138	300,100
Ending Fund Balance	1,098,011	1,563,584	(465,573)
TOTAL EXPENDITURES	1,676,249	1,841,722	(165,473)
TOTAL AGENCY RESOURCES	2,194,191	2,534,107	
TOTAL AGENCY EXPENDITURES	2,194,191	2,534,107	

VENETA URBAN RENEWAL AGENCY

AGENDA ITEM SUMMARY

Title/Topic: Update on Downtown Retail Market Analysis

Meeting Date: September 12, 2016
Department: Community Development

Staff Contact: Kay Bork
Email: kbork@ci.veneta.or.us
Telephone Number: 541-935-2191 Ext.314

ISSUE STATEMENT

The purpose of this memo is to present information on the Downtown Retail Market Analysis project and work plan prepared by City staff and Rural Development Initiatives (RDI).

BACKGROUND

In September 2015 the City applied to the Department of Land Conservation and Development (DLCD) for a \$40,000 Technical Assistance grant to hire a consultant to prepare a Downtown Retail Market Analysis. The City was not awarded the grant. Therefore in 2016-17, \$40,000 in Urban Renewal Funds were dedicated to this project. In June 2016, DLCD announced unanticipated available grant funds and agreed to award the City \$10,000 towards the project.

The City partnered with RDI who agreed to provide technical assistance and staff support to complete Tasks 1 and 2 of the Downtown Retail Market Analysis. RDI along with City staff and our new RARE participant will complete the work in the plan. Following is a summary of resources dedicated to the project:

Resources	
DLCD Grant	\$10,000
RDI Contribution	\$10,000
Veneta Urban Renewal Agency	\$15,000
Total	\$35,000

RELATED CITY POLICIES

The project is listed in the adopted 2016-17 Work Plan and Urban Renewal funds were assigned to the project.

URBAN RENEWAL AGENCY OPTIONS

None. Presented as information only.

SUGGESTED MOTION

None.

ATTACHMENTS

A. Downtown Veneta Retail Market and Development Strategy Work Plan

DOWNTOWN VENETA RETAIL MARKET AND DEVELOPMENT STRATEGY**Updated August 19, 2016****Project Objectives**

The City of Veneta is in need of a Downtown Veneta Retail Market and Development Strategy (The Plan) in order to evaluate and address the inadequacy of retail services within the downtown area. Veneta's downtown retail development does not align with the rate of growth within the City. In order to complete the retail market strategy, the City is respectfully requesting TA resources to a downtown retail development and market strategy that will help realize the City's adopted vision for downtown. This project is intended to promote economic development in Veneta, specifically retail development downtown. The City wants to understand how to pursue market opportunities to revitalize downtown. This project is to be accomplished over an estimated ten (10) month period.

Background & Need

Retail development plays a central role in the economic development and quality of life for a city and its region. Thriving retail and local businesses help define the character of a city and provide jobs to local residents.

The City has invested substantial resources into the downtown area, beginning with a ten (10) year Downtown Master Plan developed in 2006 and Next Step Strategies developed in 2008 led by the Oregon Downtown Development Association. The plan was developed to answer the question, "*Which commercial area does the community consider as downtown?*" and to develop a ten (10) year implementation plan.

The City has already realized many of the action items in the Downtown Master Plan and Next Steps Strategy. However, Veneta's downtown commercial district continues to languish even though the community is experiencing strong growth. Veneta is the fastest growing City in Lane County since 2000. While downtown has not seen significant development, the regional retail center at Hwy 126 & Territorial Rd (West Lane Shopping Center) has leased all but one of several vacant store fronts in the last two years. The most significant tenant is First Call Resolution which employs approximately 275 employees and has plans for expansion.

The most significant project implemented since the downtown plans were adopted is the reconstruction and full upgrade of West Broadway Ave, 2nd, 3rd, and 4th streets, Brooker Lane and the construction of a transit park and ride facility. Road reconstruction included streetscape improvements (trees, lighting, landscaping, and benches) and the installation of

sewer. The upgraded streets form the core of downtown and have the potential to serve a pedestrian friendly mixed-use downtown district.

In 2014, the City finalized construction of a brand new 7,200 square foot senior center/food pantry (Fern Ridge Service Center). The City collaborated with local non-profits to raise matching funds and obtain a Community Development Block Grant (CDBG). The City was able to leverage the investment in street upgrades and donate land for the site towards grant matching funds. The new \$2.1 million dollar facility is a vibrant activity center downtown that serves many needs of seniors and low income households. Once the CDBG, 60+ age requirement, for use of the building for dedicated senior services is lifted in 2019, the City anticipates the service center use will expand and serve as a community center with additional programs and activities.

The Veneta Urban Renewal Agency contributed \$1.2 million towards street upgrades, \$82,000 for a park & ride across the street from the service center, and \$346,000 for the purchase of land for the service center. The Urban Renewal Agency can access up to \$4 million in Urban Renewal Funds for the next identified catalyst project. In addition to financial resources, the City owns approximately 189,000 square feet of commercial property downtown.

The City is committed to economic development activities with the City Administrator and Council compelled to establish it as a high priority for the next several years. Timing of the requested TA funds aligns with economic development activities the City began in 2015-16. In 2015, the City adopted an Economic Opportunity Analysis and an Economic Development Strategy: Five-Year Action Plan. As an outcome of the study the City secured a Resource Assistance for Rural Environments (RARE) participant for 2015-16 who worked the actions outlined in the economic strategic plan. In anticipation of the work to be performed, the City reestablished an Economic Development Committee (EDC) to guide implementation of the 5-year economic development strategy and will also help guide development of The Plan.

The City contracted with Rural Development Initiatives who have been working with the EDC on a business retention and expansion (BR&E) program which began in the winter of 2015/2016 and will continue through October 2016. RDI will continue to partner with the City and EDC to complete several tasks outlined on the work plan.

Work tasks to be completed for the Veneta Downtown Retail Development and Action Plan will complement work accomplished as part of the BR&E strategy. Retail demand and leakage analysis will help develop a baseline understanding of today's issues and opportunities including the identification of retail market barriers and issues. Vital business owner interviews conducted by EDC in 2016 will build upon outreach to the Veneta business base and ultimately,

Veneta can design and implement joint strategies that capitalize on opportunities for businesses to develop downtown.

Products, Outcomes & Evaluation Criteria

The City needs to discover and understand retail development potential for downtown including a market demand and leakage analysis. The analysis will define the types of development downtown can support, identify barriers to retail development, and how they can be addressed. With this information the City would like to identify the next catalyst project, and explore conceptual development scenarios and/or land to be marketed to property owners, business owners, and prospective entrepreneurs. Finally, the City would like to update Veneta's Next Step Strategies (2008) with prioritized projects and action items to be completed in the short term.

Roles

City: Staff to EDC, project manager

RDI: Training and technical assistance to EDC, City, RARE

RARE: Conduct and present field work (e.g., property inventory update, retail development survey)

EDC: Active participants in process: e.g., outreach to key contacts/biz & prop owners, real estate broker.

Results: Market Reality Check and Downtown Market Opportunity Action Plan

Project Partners

- Veneta Economic Development Committee (EDC): The City has formed a nine person volunteer Economic Development Committee made up of business stakeholders, City Council and utility representatives. This committee will guide the implementation of the recently adopted Economic Development Strategy. This committee is responsible for reviewing deliverables and advising the procured project consultant. This committee is staffed by the City's RARE participant and City Administrator.
- Rural Development Initiative (RDI): Will provide technical and training assistance re: downtown business and property development.
- DLCD: The City anticipates participation/review from Tom Hogue, Economic Development Specialist and Ed Moore, Regional Representative.

Cost Sharing

Resources	
DLCD Grant	\$10,000
RDI Contribution	\$10,000
Veneta Urban Renewal Agency	\$15,000
Total	\$35,000
Expenses	
RDI Consultation	\$20,000
RARE, Economic Development Specialist	\$6,000
Architect	\$5,000
Marketing Materials	\$4,000
Total	\$35,000

Timeline

	MONTHS 2016/17									
TASKS	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Phase I										
Phase II										
Phase III										

WORK PROGRAM - DOWNTOWN VENETA RETAIL MARKET AND DEVELOPMENT STRATEGY

Phase I: Market Analysis

Cost \$15,000

1. Review Existing Conditions, Barriers, and Opportunities for Retail Development

Cost:

- (a) Define study area:
 - i. Review 2006 Market Readiness Study.
 - ii. Conduct selected interviews with key retailers.
- (b) Assess existing conditions:
 - i. Review relevant economic studies/data.
 - ii. Review Business Retention and Expansion (BR&E) Final Report (2016) to identify barriers, interests, needs.
 - iii. Interview relevant BR&E businesses and identify others to determine specific property needs.
- (c) Interview local and Eugene area commercial real estate brokers (up to 6) to understand perceived barriers and opportunities to development in Veneta.
- (d) Compile Case Studies of small town redevelopment projects using urban renewal/other tools.

Meeting:

- M1. EDC Kick-off Meeting: RDI training on market analysis, capturing market opportunities, and process and revisit Next Steps Strategies Report (2008).
- M2. EDC Meeting #1: Present key findings, case studies, and solicit comments.

Deliverables:

- D1. Key Findings memo from data gathering, interviews, and case studies.
- D2. PowerPoint presentation to EDC.

2. Retail Supply and Demand Analysis

- (a) Conduct general retail inventory of core study area, including available land. Types of inventory data to be collected will be determined.
- (b) Conduct retail demand analysis to determine retail potential and leakage of market area. This task will build upon the market analysis tools and information presented by Tom Hogue, DLCDC.
- (c) Identify what retail market potential downtown Veneta could absorb.

Meetings:

- M3. EDC Meeting #2: Present findings of retail market analysis.

Deliverables:

- D3. Snapshot of existing retail supply and available space.
- D4. Updated market area and downtown retail leakage data.
- D5. Training of EDC – education and information: *Why do a market analysis how to use it.*

Phase II: Marketing Strategy/Plan

Cost: \$10,000

1. Develop Marketing Strategy & Marketing Materials

- (a) General update of downtown properties inventory including assessment of availability and readiness for occupancy/development.
- (b) Identify top 2-3 sites/properties for development/occupancy.
 - i. Evaluate each site and prepare property factsheets.
 - ii. Develop marketing strategy to promote sites & retail opportunities.
 - iii. Develop marketing material.
- (c) Identify top commercial developers/brokers within the Eugene/Salem region to promote to.

Meetings:

- M4. EDC Meeting #3: Help develop draft marketing strategy and next steps, including roles and responsibilities.

Deliverables:

- D6. Marketing materials for identified sites.

Phase III: Implementation of Marketing Action Plan

Cost \$9,000

1. Develop Action Plan

- (a) For selected target downtown properties/sites, prepare general development scenario and site specific pro formas, as appropriate to convey development potential
- (b) Create a master list of potential business targets, including local and regional business prospects/selected entrepreneurs
- (c) Organize a series "Meet and greets" in Veneta to bring together key business prospects, downtown property owners and area developer/commercial brokers to promote downtown Veneta market opportunities
- (d) Organize schedule, tools and tactics for continuous positive promotion of Veneta in the market area and Willamette Valley
- (e) Develop Action Plan or Next Steps to market sites to bring retail or mixed use to next phase.

Meetings:

- M5. EDC Meeting #4: Economic Development Committee meeting to review final market strategy, draft implementation strategy and draft marketing materials.

Deliverables:

- D7. Develop an implementation plan that prioritizes projects and actions to achieve desired outcomes for development.
- D8. Create marketing action plan - identify opportunities to bring retail or mixed use to next phase
- D9. Updated Next Steps Strategy identifying opportunities to bring retail or mixed use to next phase.