VENETA’S URBAN RENEWAL DISTRICT

OVERVIEW OF PLAN AND PAST, PRESENT & FUTURE PROJECTS

March 13, 2017
Veneta Urban Renewal District
In 1984, the Veneta City Council appointed an Urban Renewal Task Force to evaluate whether or not an Economic Development-Urban Renewal District should be formed encompassing the blighted central business district and light industrial areas of the City of Veneta. Blighted conditions included:

- The existence of buildings and structures, unfit or unsafe to occupy because of:
  - Defective design and quality of physical construction; or
  - Obsolescence, deterioration, dilapidation, mixed character or shifting of uses.
- The existence of inadequate streets and other rights-of-way, open space and utilities;
- The existence of property or lots or other areas which are subject to inundation by water;
- A prevalence of depreciated values, impaired investments and social and economic maladjustment to such an extent that the capacity to pay taxes is reduced and tax receipts are inadequate for the cost of public services rendered;
- A growing or total lack of proper utilization of areas, resulting in a stagnant and unproductive conditions of land potentially useful and valuable for contributing to the public health, safety, and welfare.
Objectives of Urban Renewal Plan

1. Develop a cohesive central business district and attractive light industrial park areas to attract new employers to Veneta.
2. Construct new public facilities to stimulate construction of new residential, commercial and industrial buildings.
3. Replace substandard public facilities.
4. Eliminate unsafe, deteriorated or dilapidated buildings in the older downtown area of Veneta.
5. Improve the appearance of the City and create a sense of community pride.
6. Establish a long-term financing program to make needed public improvements.
How is Urban Renewal Funded?

Tax Increment Financing (TIF)

Tax increment financing (TIF) takes a portion of property taxes from all the taxing jurisdictions, based on increased value of property in the Urban Renewal District, and diverts the funds to the Urban Renewal Agency.

As the total value of the property increases, the taxes collected increases, even though the rates are not changed. TIF captures some of that increase.

Tax: All property based taxes.

Increment: The increased value of property after the District was founded.

Financing: Used for indebtedness for specified URA projects.
What changes TIF?

- The amount of revenue captured by the URA depends on the ratio of value between properties within the District and properties outside the District.

- If the value of property within the District goes up faster than the value of properties outside the District, the URA will “earn” a greater proportion of the total property tax dollar collected.

- The proportion changes every year.
Maximum Indebtedness

- All annual property tax revenues from growth in UR Area must be used to pay off debt.
- Money borrowed funds urban renewal projects.
- Maximum indebtedness is a legal dollar limit on borrowing for projects.

In 1998 the Urban Renewal Agency set a debt limit of $13,613,603
### Projects – Last 10 Years

<table>
<thead>
<tr>
<th>Urban Renewal Project</th>
<th>Urban Renewal Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water System Rehabilitation</td>
<td>$3,360,000</td>
</tr>
<tr>
<td>Veneta Community Pool</td>
<td>$350,000</td>
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<tr>
<td>W. Broadway Redevelopment</td>
<td>$1,200,000</td>
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<tr>
<td>Downtown Monument</td>
<td>$82,000</td>
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<tr>
<td>Veneta Transit Center</td>
<td></td>
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<tr>
<td>Fern Ridge Service Center</td>
<td>$359,760 included as part of W. Broadway Redevelopment</td>
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<tr>
<td>Infrastructure Improvements</td>
<td></td>
</tr>
<tr>
<td>Pipeline – PW Yard Improvements</td>
<td>$600,000</td>
</tr>
</tbody>
</table>
Veneta Community Pool

Project Cost: $2,500,000
Urban Renewal Contribution: $350,000
Property Acquisition

Project Cost: $375,000
Urban Renewal Contribution: $375,000
W. Broadway Redevelopment

Project Cost: $2,036,155
Urban Renewal Contribution: $1,200,000
Grants: $121,000
Reimbursements from LTD: $76,280
Veneta Transit Center

Project Cost: $768,000
Urban Renewal Contribution: $82,000
Connect Oregon II Grant: $686,000
**Downtown Monument**

Project Cost: Included in overall Transit Center cost

Urban Renewal Contribution: Included in City’s contribution to Transit Center cost
Fern Ridge Service Center

Project Cost: $2,366,760

Urban Renewal Contribution: $359,760 from Infrastructure Improvements and Property Acquisition from W. Broadway project
Chronology of Plan & Amendments

- October 23, 1984, Ordinance Adopted creating the Veneta Urban Renewal District and the Veneta Urban Renewal Agency and selecting projects.

- May 1998, First Amendment to the Veneta Urban Renewal Plan, setting a debt limit of $13,613,603

- February 2002, Second Amendment, modifying the Plan boundary to include the Bolton Hill water storage


- November 18, 2013 Amended Plan to add right away property to the Plan area, for Veneta EWEB Pipeline.

- June 8, 2015, Amended Table 8 – Estimated Project Costs, after Council prioritized projects.
Adopted projects yet to be completed include:
- Highway 126 Beautification
- Territorial – Third
- 3rd – 5th
- Jeans Road
- Park Development
- Dunham and 6th
- Downtown Improvements

Ongoing uses include:
- Water System Debt Service
- Administrative Charges

Optional projects to be added to the list:
- Downtown Streets (8th St. and McCutcheon)
- Downtown Streets (Extension of Brooker Lane (4th – 7th))
2015 Project Prioritization

- 126 Intersection (Beautification)
- Downtown Streets (Territorial – Third)
  - 2\textsuperscript{nd} Street (Broadway – Dunham)
  - 3\textsuperscript{rd} Street (Broadway – Dunham)
- Downtown Streets (3\textsuperscript{rd} – 5\textsuperscript{th})
  - 4\textsuperscript{th} Street (Broadway – Dunham)
  - 5\textsuperscript{th} Street (Broadway – Dunham)
- Downtown Improvements
  - (Next catalyst project)
- Downtown Streets
  - (Dunham & 6\textsuperscript{th})
  - Dunham (Territorial to 4\textsuperscript{th})
### Veneta Urban Renewal Plan - 2015 Amendment

#### Table 8 - Estimated Project Costs

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<thead>
<tr>
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<tbody>
<tr>
<td>Highway 126 Intersection (Beautification)</td>
<td>30,000</td>
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<tr>
<td>Downtown Streets (Territorial -Third)</td>
<td>167,000</td>
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<tr>
<td>Downtown Streets (3rd - 5th)</td>
<td>140,000</td>
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<tr>
<td>Fire Station</td>
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<td>City Hall Construction</td>
<td>$200,000</td>
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<td>266,292</td>
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<tr>
<td>Water System Development/ Debt Service</td>
<td>$5,500,000</td>
<td>1,066,091</td>
<td>4,284,952</td>
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<td>Highway 126 East Water Main</td>
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<tr>
<td>Sewer System Development</td>
<td>$1,440,000</td>
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<tr>
<td>Jeans Road</td>
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<tr>
<td>Park Development</td>
<td>$1,000,000</td>
<td></td>
<td>187,000</td>
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<tr>
<td>Territorial (Hunter-Bolton)</td>
<td></td>
<td></td>
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<tr>
<td>Downtown Streets (Dunham and 6th)</td>
<td></td>
<td>278,000</td>
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<tr>
<td>Downtown Streets (5th to 8th)</td>
<td></td>
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<td></td>
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<tr>
<td>Downtown Improvements</td>
<td></td>
<td></td>
<td>2,041,138</td>
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<tr>
<td>Downtown Streets (8th Street and McCutcheon)</td>
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<tr>
<td>Downtown Streets (Extension of Brooker Lane (4th-7th)</td>
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<tr>
<td>Administrative Charges</td>
<td>$1,215,000</td>
<td>500,000</td>
<td>171,863</td>
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<tr>
<td><strong>TOTAL PROJECT COSTS</strong></td>
<td><strong>$9,355,000</strong></td>
<td><strong>$2,181,091</strong></td>
<td><strong>$6,951,245</strong></td>
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Maximum Indebtedness: Used And Remaining

- The Veneta URA Plan sets a maximum indebtedness of $13,613,603.

- Total amount of maximum indebtedness used through February 28, 2017 is $9,006,198

- This leaves $4,607,705 remaining capacity.
Proposal for Use of “Extra” TIF

- Assist with a catalyst retail development project
- Development of Tax Lot 600
- Redevelopment Tool Kit
  - SDC Reduction
  - Street Improvements
- Fiber Projects
- Park Project
Steps for Minor Amendment to Plan

1) Determine if new activities are eligible as minor amendment
   - Are we adding less than 1% of the original Plan acreage?
   - Will the additional acreage exceed a 20% cumulative increase of the original Plan acreage?
   - Is it altering the Maximum Indebtedness?
   - Is it financially feasible?
   - Is the project’s benefit to the District proportional to the cost or expense to the District?

2) Steps necessary to update the plan
   - Complete necessary analysis
   - Amend the financial feasibility report
   - Pass Urban Renewal Agency Resolution
   - Adoption of Plan with amended legal description and map
Timeline and Next Steps

1) Consensus from Urban Renewal Agency to Amend the Plan.

2) Budget authority in 2017-18 FY for Plan amendment related expenses.

3) Procure consultant and authorize expenses.

4) Complete Plan amendment activities in 2018-19 (specific date TBD)