

Overview and Proposed Changes to the Urban Renewal Plan

Veneta Urban Renewal Agency
December 2018



Urban Renewal Overview

A Brief Refresher

What is Urban Renewal?

Urban Renewal is a tool to **accumulate funds to improve** a specific, often **blighted or otherwise underutilized**, area of a city.

Once established, the Urban Renewal Area is governed through an **Urban Renewal Agency**, which is a separate entity from the city (or county) which created it.

As is the case here in Veneta, its board often consists of the same governing body (**City Council**). Alternatively, it can be a separate group appointed by the governing body or the city's housing authority.



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Limitations to Urban Renewal

Oregon state law limits the total size of a city or county's urban renewal area in both acreage and assessed value.

For cities with a population less than 50,000, the urban renewal area can comprise of **no more than 25%** of the total acreage and assessed value.

Any projects using urban funds must be identified in an adopted **Urban Renewal Plan**.



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An Urban Renewal Plan

An initial plan requires a **feasibility study** with criteria such as property values, development conditions, availability and condition of streets and utilities.

Strict requirements around citizen involvement, notice, presentations, and approval.

Scope of projects/activities:

- Construction or improvement of streets, utilities & other public uses
- Rehabilitation or conservation of existing buildings
- Acquisition and improvement of property
- Re-sale or lease of property

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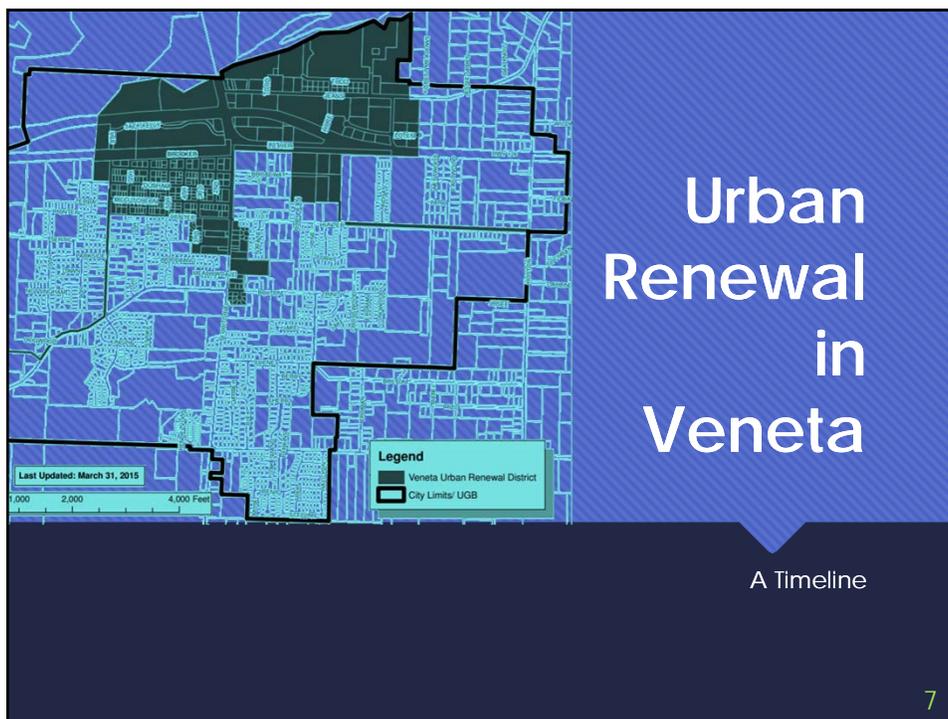
Funding Urban Renewal

Urban renewal funds are collected through **tax increment financing**. Essentially, the **assessed value of the urban renewal area is "frozen"** once the plan is adopted.

As the assessed **value of the area increases** over time through public and private investments, the increase in property values above the frozen base **funds urban renewal**.



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Urban Renewal Area established (Ord. 266) and Plan adopted (Ord. 267)

Purpose: Become a mid-Lane service center and suburban residential community with an appealing rural setting.

1984

OBJECTIVES

1. Develop central business district & light industrial park to attract new employers
2. Construct new public facilities to stimulate construction
3. Replace substandard public facilities
4. Eliminate blighted buildings in older downtown area
5. Improve general appearance and create sense of community pride
6. Establish long-term financing program for necessary public improvements

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1984 PRIORITY PROJECTS

1. Hwy 126 & Territorial Intersection
2. Downtown Streets: Territorial-3rd
3. Downtown Streets: 3rd-5th
4. Fire Station
5. City Hall Construction
6. Water Source Expansion
7. Hwy 126 East Water Main
8. Sewer Lagoon
9. Tanglewood Sewer Pump Station
10. Jeans Road
11. Park Development
12. Territorial: Hunter-Bolton
13. Dwtm Streets: 6th & Dunham
14. Dwtm Streets: 5th- 8th

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Substantial amendment (Ord. 397, Res. 456)

Established maximum indebtedness: \$13,613,603

Project time & cost estimates updated

Estimated completion by 2023

The legal borrowing limit to complete projects.

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Note: Substantial Amendments must be made formally in writing and duly approved and adopted by the City Council after the review and recommendation of the Planning Commission, and a public hearing.

Examples:
Increasing the Urban Renewal area by more than 1%
Increasing the maximum amount of indebtedness (by any amount)
Any others deemed "substantial amendments" by state law

Minor amendments are made by resolution of the Urban Renewal Agency

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Minor amendment (Res. 65) added definition with examples of "substantial amendments" and adopted findings for authorizing minor changes to the plan.

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As the land added only comprised 0.0053% of the original acreage, a minor amendment was sufficient.

Minor amendment (Res. 70) expanded Urban Renewal Boundary to include property for City water storage tank off Bolton Hill Road.

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2015

Minor amendment (Res. 102) updated estimated project costs and incorporated all past amendments to the Urban Renewal Plan into one document.

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PRIORITY PROJECTS – updated 2015

1. Hwy 126 & Territorial Intersection (beautification) ✓ IN PROGRESS	10. Park Development
2. Downtown Streets: Territorial-3rd (including park and ride facility)	11. Territorial: Hunter-Bolton ✓ IN PROGRESS
3. Downtown Streets: 3 rd -5 th ✓ IN PROGRESS	12. Downtown Streets: 6 th & Dunham
4. Fire Station	13. Downtown Streets: 5 th - 8 th
5. City Hall Construction	14. Downtown Improvements*
6. Water System Development/Debt Service	15. Downtown Streets: 8 th & McCutcheon*
7. Hwy 126 East Water Main	16. Downtown Streets: Extension of Brooker Lane, 4 th -7 th *
8. Sewer System Development	
9. Jeans Road	

*New Projects Added in 2015

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Balance of Maximum Indebtedness

\$13,613,603 original maximum indebtedness
-\$ 7,831,761 used as of 6/30/18
-\$ 741,239 borrowed not yet used
-\$ 1,150,575 committed to projects
-\$ 777,500 FY18-19 URA budget transfer for Parks and Pool facilities

\$ 3,112,528 total remaining uncommitted

Project cost estimates need to be updated.

Remaining projects which did not have funding identified:

Territorial: Hunter-Bolton
Downtown Streets: 5th-8th

Downtown Streets: 8th & McCutcheon

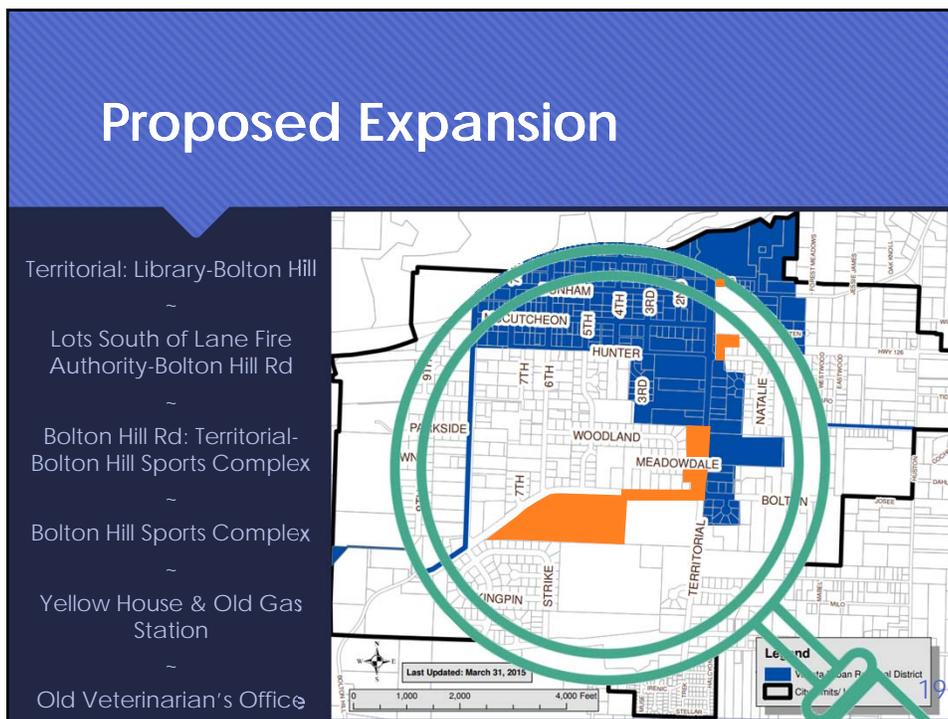
Downtown Streets: Extension of Brooker Lane, 4th- 7th

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Time for a Substantial Amendment?

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Why Now

Expanding the Urban Renewal Boundary to encompass the Bolton Hill Sports Complex **exceeds the 1% threshold** for a minor amendment

In addition to expanding the boundary, the **maximum indebtedness may be increased by up to 20%** of the original amount as adjusted for inflation to fund existing and additional projects

Can expand boundary and increase maximum indebtedness with a **substantial amendment**, requires the revised plan be approved and recorded in the same manner as the original plan

Why not capitalize on existing experienced staff to move forward now?

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Supplemental Projects

Bolton Hill Sports Complex Improvements

City Park Improvements Phases 2-5

Territorial: Hwy 126-W. Broadway

Territorial: W. Broadway-Hunter

Jeans Road Intersection

Shared Parking Lot, 3rd-4th

Additional
Projects to
Consider

Underground Power Lines: W. Broadway: 4th-8th
Funds for Business Incentives
Miscellaneous Fiber
Retail Pop-Up District
Acquisition of Luther Lane Open Space
(old VDFM site)

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Initial Proposal

Expert on Urban
Renewal in Oregon

[Elaine Howard Consulting](#) has submitted a draft scope of work and budget for a substantial amendment to increase the maximum indebtedness

Briefings, public meetings, and document preparation

Can be completed by next fall

~\$30,000 (not including work for boundary amendment)

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Should the Urban Renewal Agency move forward with issuing a Request for Proposals for a substantial amendment to the Urban Renewal Plan?

This would cover increasing the maximum indebtedness to fund existing and supplemental projects, expanding the Urban Renewal boundary to cover more properties, and adding additional projects.

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