

REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: October 18, 2021

Order ____ No.	Ordinance ____ No.	Resolution <u>XX</u> No. 2021-3769	Motion ____	Information ____
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SUBJECT: A Resolution authorizing the City Manager to expend an additional \$20,000 from the Economic Development Revolving Loan Fund (EDRLF) for the purpose of preparing an urban renewal feasibility study, urban renewal plan and report, and public outreach

Staff: Doug Rux, Director
Department: Community Development
File Number: GEN21-0015

Business Session

Order on Agenda: New Business

☐ **ADMINISTRATIVE PUBLIC HEARING**

RECOMMENDATION:

Adopt Resolution No. 2021-3769.

EXECUTIVE SUMMARY:

Newberg City Council Resolution 98-2086 adopted the program guidelines for the EDRLF. The program guidelines direct that the EDRLF funds be used as loans to targeted investment areas: manufacturing, commercial business, particularly the downtown area, and affordable housing. That resolution also states the following: "The guidelines for the program may be changed or altered by the City Council as necessary in order to accommodate business activities in Newberg."

The City Council has changed or altered the program on several occasions to accommodate business activities such as a 2017 grant to the Hoover – Minthorn House for foundation work, 2015 for improvements to the Second Street Public Parking Lot, 2008 authorization to use funds for to pay planning and building fees for Phase 1 of the Chehalem Cultural Center for Sheridan Street and plaza improvements, 2001 authorization for a downtown urban renewal district formation, and 1998 authorization to purchase property on S Blaine Street.

On April 18, 2016, the City Council adopted Resolution No. 2016-3274 for the Newberg Economic Development Strategy which contains references to an urban renewal program for the downtown area. One of the identified funding mechanisms was an urban renewal program cited in two areas of this plan for the downtown area.

On December 5, 2016, the City Council adopted Resolution No. 2016-3345 for the Newberg Downtown Improvement Plan to revitalize the downtown area. Urban renewal is a potential funding source for a portion of the \$25M in identified improvements, based on 2016 estimated project values, to revitalize the downtown area.

The City Council adopted Resolution No. 2018-3503 on October 15, 2018, authorizing the use of \$100,000 from Fund 14 to conduct an urban renewal feasibility, urban renewal plan development, and public outreach. Funds were subsequently budget in FY 2019/2020 and 2020/2021 to prepare the urban renewal feasibility, urban renewal plan development, and public outreach.

The City Council adopted Resolution No. 2019-3585 for the Community Visioning Program on August 19, 2019. Within the Visioning document urban renewal was identified as a potential funding mechanism for infrastructure improvements.

On September 16, 2019, the City Council adopted Resolution No. 2019-3596 accepting the Riverfront Master Plan for revitalization of the Riverfront area. Urban Renewal is an identified program for a portion of the \$42M in identified improvements.

The City Council adopted Resolution No. 2019-3650 on November 4, 2019, expressing if the City determines it is feasible to establish an urban renewal program per ORS 457 the City is expressing its intent that the urban renewal agency reimburse the City the costs to conduct the feasibility study and required plan and report. A separate Intergovernmental Agreement (IGA) would have to be entered into for the reimbursement to occur.

Development of the urban renewal program in coordination with the Ad Hoc Urban Renewal Citizens Advisory Committee identified some additional funding issues not anticipated in October 2019 related to additional financial modeling from the sale of the mill site, additional Citizen Advisory Committee meetings, and additional coordination efforts required with overlapping taxing districts. These additional costs are estimated to be \$10,000 in professional services. The City Council adopted Resolution No. 2021-3726 for that additional funding.

The Yamhill County Board of Commissioners on July 29, 2021, adopted a resolution approving the urban renewal plan with a condition that it go before the voters of Newberg with an affirmative vote. The City Council has discussed options based on the County resolution and has identified revising the Newberg Urban Renewal Plan and Report. This will require additional funding to make the necessary revisions. The estimated additional cost is \$20,000.

FISCAL IMPACT:

For FY 2019/2020 \$40,894.28 of the original \$100,000 was expended. For FY 2020/2021 \$48,661.04 of the original \$100,000 was expended for professional services (14-4120-580000) to conduct the urban renewal feasibility study and to develop the urban renewal plan and report. For FY 2021/2022 the adopted budget allocated \$8,000 plus the additional \$10,000 approved by Resolution No. 2021-3726. The additional funding request of \$20,000 would be allocated in FY 2021/2022. There is \$175,126 in Contingency in Fund 14 for FY 2021/2022 to cover the \$20,000 funding request.

STRATEGIC ASSESSMENT:

2020 Council Goals:

1. Change operational culture to one focused on Customer Service and act to Resolve Ongoing Legal Disputes

Not applicable.

2. Further develop an operational culture that adopts and cherishes Diversity, Equity, and Inclusion as core values.

The urban renewal program can assist in addressing Diversity, Equity, and Inclusion within the proposed plan area by addressing infrastructure deficiencies and providing employment and recreational opportunities identified in the Downtown Improvement Plan and Riverfront Master Plan which are within the proposed

urban renewal district boundary. This assists in meeting the City Council Goal.

3. Promote development of housing affordability such as houselessness, transitional housing, workforce housing.

Development of an urban renewal plan and report can address housing affordability for new housing opportunities identified in the Downtown and Riverfront areas as identified in the Downtown Improvement Plan and Riverfront Master Plan through assistance on infrastructure. This assists in meeting the City Council Goal.

4. Create and support an Urban Renewal Plan and Authority

The additional fund would be used to further advance the creation of an urban renewal plan and report that has been underway since January 2020. The City Council adopted Resolution No. 2020-2685 accepting the Newberg Urban Renewal Feasibility Study. The City Council additionally passed Ordinance No. 2020-2865 establishing an Urban Renewal Agency on August 17, 2020. These actions have furthered this City Council Goal.

5. Collaborate with local partners and with entities like ICLEI in the development of a Sustainability program.

Not applicable.

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXPEND AN ADDITIONAL \$20,000 FROM THE ECONOMIC DEVELOPMENT REVOLVING LOAN FUND (EDRLF) FOR THE PURPOSE OF PREPARING AN URBAN RENEWAL FEASIBILITY STUDY, URBAN RENEWAL PLAN AND REPORT, AND PUBLIC OUTREACH

RECITALS:

1. Newberg City Council Resolution 98-2086 adopted the program guidelines for the EDRLF. The program guidelines direct that the EDRLF funds be used as loans to targeted investment areas: manufacturing, commercial business, particularly the downtown area, and affordable housing. That resolution also states the following: “The guidelines for the program may be changed or altered by the City Council as necessary in order to accommodate business activities in Newberg.”
2. The City Council has changed or altered the program on several occasions to accommodate business activities such as a 2017 grant to the Hoover – Minthorn House for foundation work, 2015 for improvements to the Second Street Public Parking Lot, 2008 authorization to use funds for to pay planning and building fees for Phase 1 of the Chehalem Cultural Center for Sheridan Street and plaza improvements, 2001 authorization for a downtown urban renewal district formation, and 1998 authorization to purchase property on S Blaine Street.
3. On April 18, 2016, the City Council adopted Resolution No. 2016-3274 for the Newberg Economic Development Strategy which contains references to an urban renewal program for the downtown area.
4. On December 5, 2016, the City Council adopted Resolution No. 2016-3345 for the Newberg Downtown Improvement Plan to revitalize the downtown area. One of the identified funding mechanisms was an urban renewal program.
5. The City Council adopted Resolution No. 2018-3503 on October 15, 2018, authorizing the use of \$100,000 from Fund 14 to conduct an urban renewal feasibility, urban renewal plan development, and public outreach. Funds were subsequently budget in FY 2019/2020 and 2020/2021 to prepare the urban renewal feasibility, urban renewal plan development, and public outreach.
6. The City Council adopted Resolution No. 2019-3585 for the Community Visioning Program on August 19, 2019. Within the Visioning document urban renewal was identified as a potential funding mechanism for infrastructure improvements.
7. On September 16, 2019, the City Council adopted Resolution No. 2019-3596 accepting the Riverfront Master Plan for revitalization of the Riverfront area. Urban Renewal is an identified program for a portion of the \$42M in identified improvements

8. The City Council adopted Resolution No. 2019-3650 on November 4, 2019, expressing if the City determines it is feasible to establish an urban renewal program per ORS 457 the City is expressing its intent that the urban renewal agency reimburse the City the costs to conduct the feasibility study and required plan and report. A separate Intergovernmental Agreement (IGA) would have to be entered into for the reimbursement to occur.
9. The City Council on March 1, 2021, adopted Resolution No. 2021-3726 authorizing and additional expenditure of \$10,000 to prepare an urban renewal plan and report.
10. The City Council has determined that utilizing an additional \$20,000 of the EDRLF for the development a of an urban renewal feasibility study, urban renewal plan and report, and public outreach is consistent with the intent of the EDRLF.

THE CITY OF NEWBERG RESOLVES AS FOLLOWS:

1. The City Council authorizes the City Manager to expend an additional \$20,000 from the Economic Development Revolving Loan Fund (EDRLF). The purpose of the \$20,000 is for preparation of an urban renewal feasibility study, urban renewal plan and report, and public outreach for a urban renewal plan in the Downtown and Riverfront areas of Newberg.

➤ **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: October 19, 2021.

ADOPTED by the City Council of the City of Newberg, Oregon, this 18th day of October, 2021.

Sue Ryan, City Recorder

ATTEST by the Mayor this 21st day of October, 2021.

Rick Rogers, Mayor