

TO: Ad Hoc Urban Renewal Citizens Advisory Committee

FROM: Doug Rux, Community Development Director

SUBJECT: Revisions to Proposed Newberg Urban Renewal Plan and Report

DATE: November 30, 2021

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### Background

On August 2, 2021, the Newberg City Council opened the public hearing on the proposed Newberg Urban Renewal Plan and accompanying Report. At this hearing staff shared the recommendation from the Yamhill County Board of Commissioners that approved the Plan with the requirement that the Plan go to a vote of the voters of Newberg. The City Council took testimony at the hearing from the public.

On August 2, 2021, the City Council also considered a Resolution to refer the Newberg Urban Renewal Plan and accompanying Report to the voters at the November 2, 2021, election. The City Council adopted Resolution No. 2021-3762. At the August 16, 2021, the City Council reconsidered their action on Resolution No. 2021-3762 and voted to not go to an election on November 2, 2021 and directed staff to look at all other possible options.

Staff subsequently prepared information on other options for the Newberg Urban Renewal Plan and accompanying Report. Based on that analysis staff was given guidance to revise the Newberg Urban Renewal Plan and accompanying Report to exclude from the proposed urban renewal district lands not annexed into the Newberg city limits. In taking this approach it does not require Yamhill County to approve the Newberg Urban Renewal Plan and accompanying Report. This approach included proceeding with the annexation of 5 properties south of NE Fourteenth Street and east/west of NE Waterfront Street to bring them into the city limits (Attachment 1) which became effective on November 17, 2021. Additionally, staff proceeded with the applications submitted by the Oregon Department of Transportation and Newberg OR, LLC (mill site) for annexation (Attachment 2). The Oregon Department of Transportation and Newberg OR, LLC annexations will have their public hearing before the City Council on December 6, 2021. If approved the annexations would become effective on January 5, 2022. Attachment 3 is a graphic identifying what properties would not be included in the proposed urban renewal district boundary.

The City also has completed its acquisition of property from WestRock for expansion of the Water Treatment Plant in the future. Staff will prepare an annexation packet for the area within the Urban Growth Boundary and the proposed urban renewal district. This annexation will not be competed for inclusion in the proposed urban renewal district and will require a future

amendment to the proposed Newberg Urban Renewal Plan at a later date.

Staff has re-engaged our project consultants to revise the proposed Newberg Urban Renewal Plan and accompanying Report. CESNW is revising the legal description and Elaine Howard Consulting and Tiberius Solutions are revising the Plan and Report. There revisions do not require a new Feasibility Study.

### Financial Analysis (Revised)

The financial modeling has been completed by Tiberius Solutions. Key findings from the analysis are:

- The results in the new analysis and the old analysis are a little challenging to directly compare, because the old analysis was originally created in 2020 and referred to "today's dollars" as 2020 dollars. We are now in FYE 2022, so the updated analysis refers to "today's dollars" as 2022 dollars.
- Financial capacity has increased by:
  - o Total TIF over 30 years has increased by \$23.9M, from \$123.2M to \$147.1M.
  - o Maximum indebtedness has increased by \$19.6M from \$106.4M to \$126.0M.
  - o Funding for projects in "today's" dollars has increased by \$14.2M from \$56.1M to \$70.3M.
- The City's tax rate this year was higher than the previous year. It appears that the City's tax rate is expected to increase 3% per year until it reaches the statutory limit of \$4.3827 (estimated to occur in FYE 2039). By factoring in the escalating tax rate, it increases the amount of TIF expected to be received over the life of the URA.
- The aggregate TIF revenue is also higher in this analysis, because of the one-year delay in when the URA would be formed. The same growth rate, and the same number of years of TIF were used from the previous analysis, but we are starting at a higher frozen base, which results in more overall TIF long-term.
- The removal of unincorporated properties from the boundary did not have that significant of an impact on the finances. In total, the properties removed from the boundary only accounted for \$1.9M of assessed value.
- This reduction in assessed value was more than offset by the increase in assessed value of other properties in the proposed URA, resulting in a higher frozen base than in the previous analysis.

### Next Steps

Based on the financial analysis staff will be updating the project costs included in the original

urban renewal plan proposal to 2022-dollar values. We will then determine the delta between the new project costs and the \$70.3M amount available in 2022-dollar value. This is likely to lead to additional capacity to add projects. If so, staff will go back to the overall master project list and look at projects that were deleted or scaled back when the Committee adjusted for the new value of the mill site. Examples of projects that might get added back are in Subarea G along S Blaine Street for sidewalks, water lines, stormwater lines and Subarea H for additional water lines. Staff would follow the hierarchy the Committee established with projects that support in this order:

1. Industrial development
2. Commercial development
3. Mixed Use development
4. Multi-family development
5. Single-family development

With the exclusion of areas not annexed into the city limits there will also need to be adjustments to several project costs. Examples are the esplanade along the former landfill site. Since this parcel would be out of the urban renewal district, we will adjust the overall esplanade project cost. Another example is the S Blaine Street extension. This project cost will be reduced for that portion of the roadway outside of the district boundary. In this example the city could address this segment of roadway with System Development Charge funding. Attachment 4 are the projects by subarea in the original urban renewal plan proposal for background.

#### Meeting Dates (may be adjusted)

January 4, 2022, at 5:30 pm (may be a virtual or in person meeting) – Review of revised project list.

January 25, 2022, at 5:30 pm (may be a virtual or in person meeting) – Review of revised Newberg Urban Renewal Plan and Report with a recommendation from the CAC to the Newberg Urban Renewal Agency and City Council.

#### Future Steps

February 7, 2022 – Urban Renewal Agency meeting to refer the Plan and Report to Taxing Districts.

February 9, 2022 – Start the Confer/Consult process with Taxing Districts.

March 10, 2022 – Planning Commission hearing on Newberg Urban Renewal Plan conformance with the Newberg Comprehensive Plan.

March 25, 2022 - Confer/Consult process with Taxing Districts ends.

April 4, 2022 – City Council hearing and first reading of ordinance on Newberg Urban Renewal

Plan and Report.

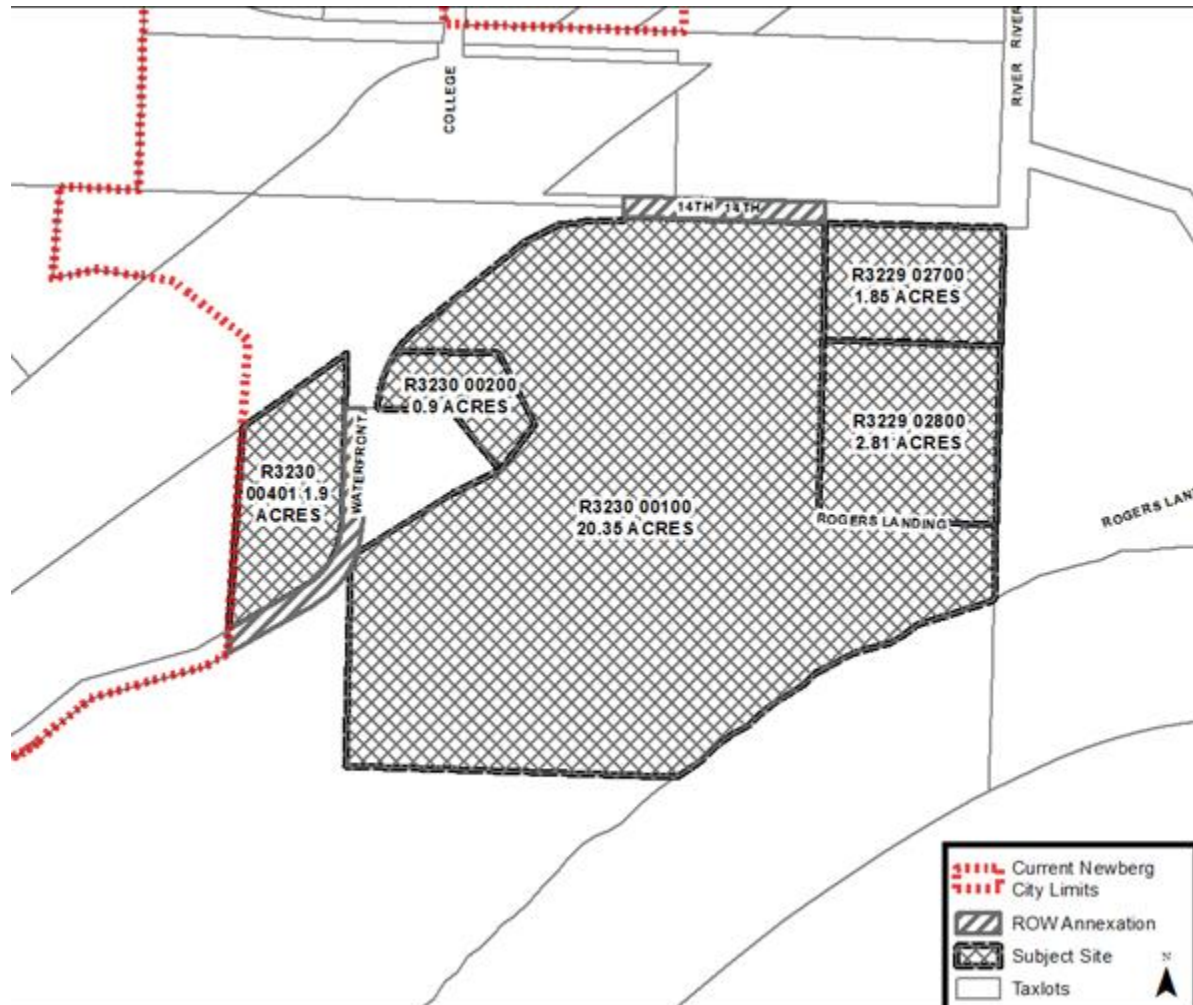
April 18, 2022 – Second reading on of ordinance on Newberg Urban Renewal Plan and Report.

May 18, 2022 – Ordinance goes into effect.

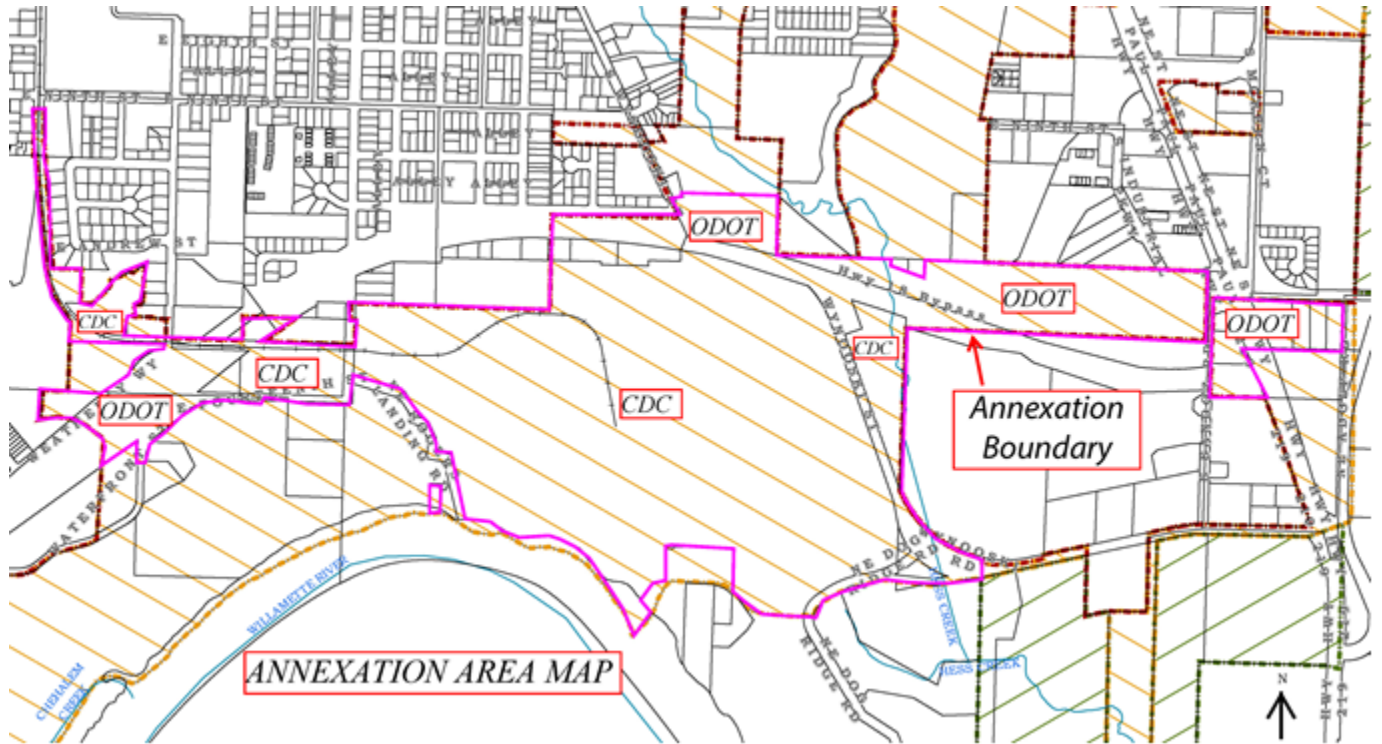
Attachments: 1. 5 Property Annexation Map  
2. ODOT/Newberg OR LLC Annexation Map  
3. Map of Properties to be Excluded from District Boundary  
4. Newberg Urban Renewal Projects (August 2021)



## 5 Property Annexation



## ODOT/Newberg OR LLC (CDC) ANNEXATION



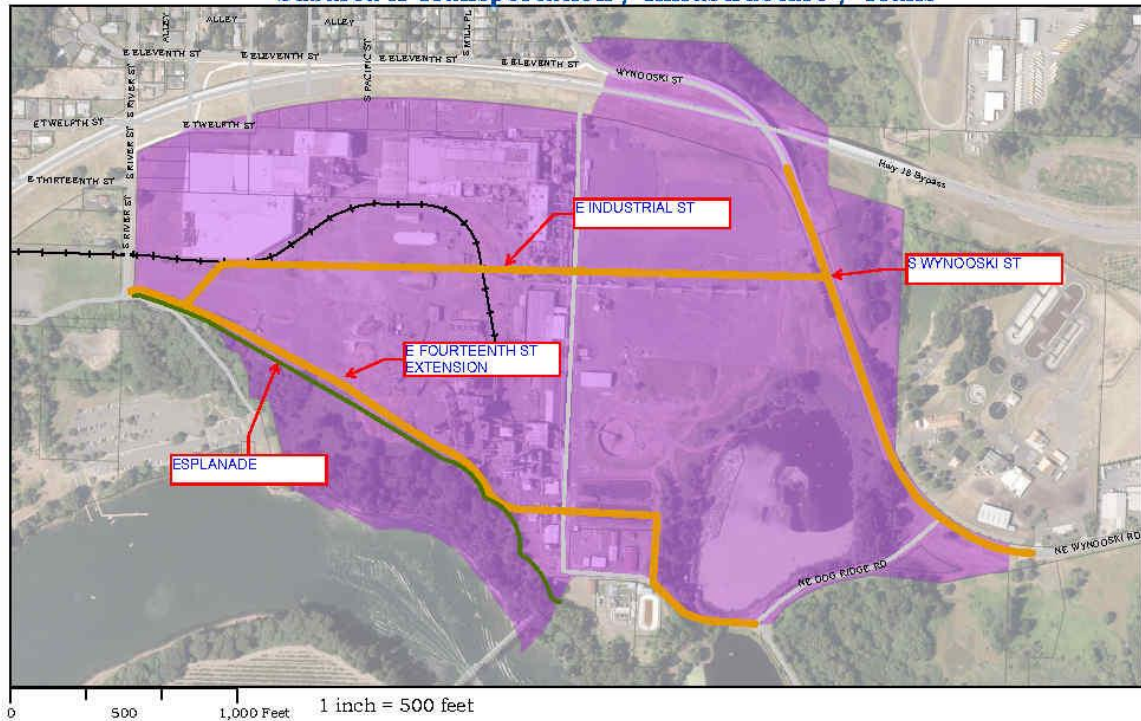






# Newberg Urban Renewal Plan Projects (August 2021)

## Subarea A Transportation / Infrastructure / Trails

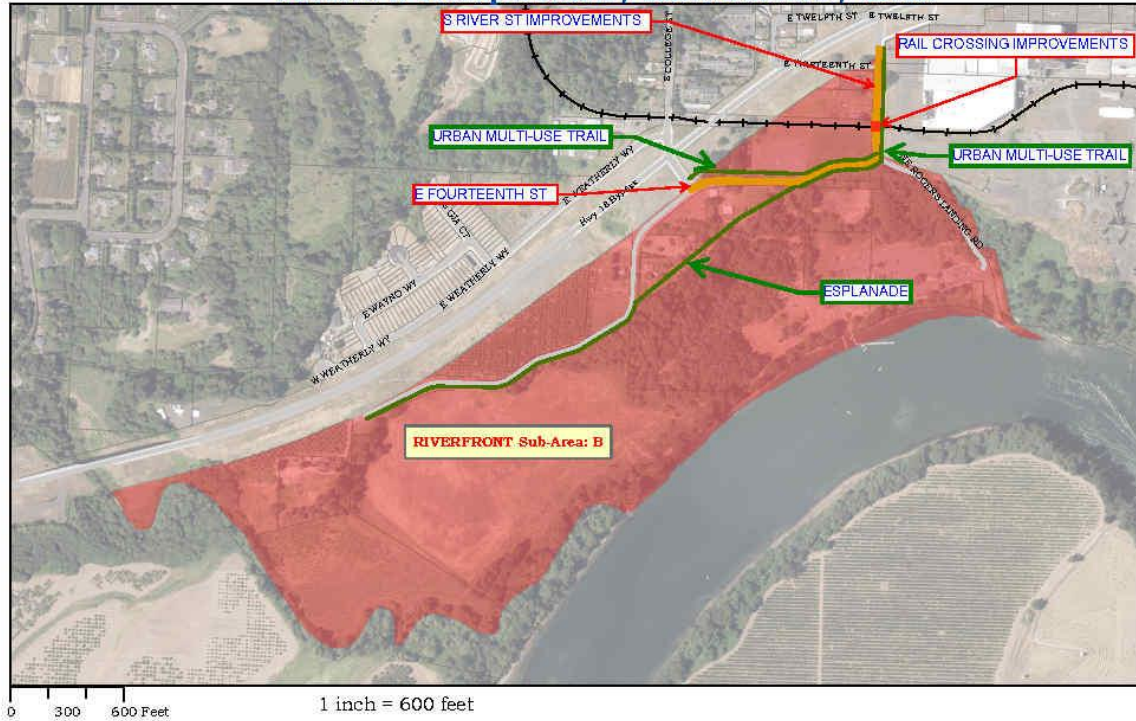


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## Subarea B Transportation / Infrastructure / Trails



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The map displays the Riverfront Sanitary Sewer Improvements project area. A thick green line represents the main sewer line, which runs from the northwest, through the center, and towards the southeast. Four sub-areas are identified with red boxes: RIVERFRONT SUB-AREA: C (top left), RIVERFRONT SUB-AREA: D (top right), RIVERFRONT SUB-AREA: A (center), and RIVERFRONT SUB-AREA: B (bottom right). Three green boxes labeled 'SANITARY SEWER IMPROVEMENTS' with arrows point to specific locations along the main sewer line. A black line with cross-ticks represents the existing sewer line. A scale bar at the bottom indicates 1 inch = 300 feet.

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## Subarea F Transportation and Infrastructure



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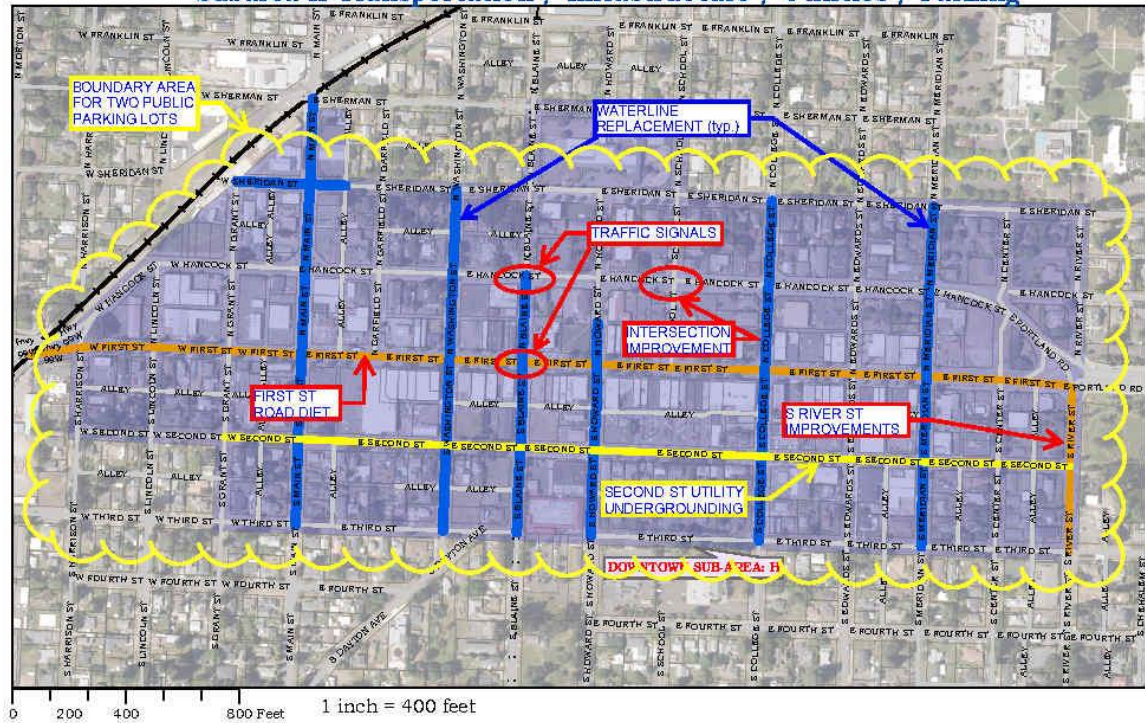
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אסתר ואלה הן הצעותיו של מנחם בגין  
 למהלך המהפכה





## Subarea H Transportation / Infrastructure / Utilities / Parking



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