



RESOLUTION NUMBER 2020-17

**A RESOLUTION OF THE MOLALLA CITY COUNCIL OREGON,
AMENDING THE MOLALLA URBAN RENEWAL PLAN.**

WHEREAS, the Molalla Urban Renewal Agency ("Agency") is an urban renewal agency formed under ORS Chapter 457; and

WHEREAS, the Molalla City Council ("City Council") adopted the Molalla Urban Renewal Plan ("Plan") on July 24, 2003; and

WHEREAS, the Agency desires to amend the Plan to revise Section 700. Description of Projects to be Undertaken to add projects including a public building project, specifically the Police Station, that requires concurrence by the Molalla City Council; and

WHEREAS, the Agency has consulted with impacted taxing districts regarding the projects to be undertaken including requesting concurrence from the Molalla City Council for the Police Station project; and

WHEREAS, the Agency desires to amend the Plan to revise Section 800. Property Acquisition and Disposition Procedures and this amendment requires City Council ratification; and

WHEREAS, these amendments are show in Exhibit A, Plan Amendment and in Exhibit B Report on the Plan Amendment; and

WHEREAS, the updated project list and estimated impacts to the taxing districts are attached hereto as Exhibit B;

Now, Therefore, the Molalla City Council *Resolves* as follows:

Section 1. Findings. The above-stated findings contained in this Resolution are hereby adopted.

Section 2. Purpose. The purpose of this Resolution is to amend the Molalla Urban Renewal Plan to update the project list including adding a public building and to add property to be acquired in the Plan

Section 3. Adoption. In accordance with the Amendment section of the Molalla Urban Renewal Plan, this is a minor amendment to be adopted by

resolution of the Molalla Urban Renewal Agency. In accordance with the Acquisition section, any acquisition must be ratified by the City Council. Addition of the public building project must receive concurrence of the taxing districts as stipulated in ORS 457. 089. The City Council hereby ratifies the acquisition of property for the Police Station project and provides concurrence to the Police Station project by adoption of this resolution.

Section 4. Miscellaneous. All pronouns contained in this Resolution and any variations thereof will be deemed to refer to the masculine, feminine, or neutral, singular or plural, as the identity of the parties may require. The singular includes the plural and the plural includes the singular. The word "or" is not exclusive. The words "include," "includes," and "including" are not limiting. Any reference to a particular law, statute, rule, regulation, code, or ordinance includes the law, statute, rule, regulation, code, or ordinance as now in force and hereafter amended. If any section, subsection, sentence, clause, and/or portion of this Resolution is for any reason held invalid, unenforceable, and/or unconstitutional, such invalid, unenforceable, and/or unconstitutional section, subsection, sentence, clause, and/or portion will (a) yield to a construction permitting enforcement to the maximum extent permitted by applicable law, and (b) not affect the validity, enforceability, and/or constitutionality of the remaining portion of this Resolution. This Resolution may be corrected by order of the Board to cure editorial and/or clerical errors.

Adopted this 12th day of August, 2020


Keith Swigart, Mayor

ATTEST:


Christie DeSantis, City Recorder

Exhibit A

Molalla Urban Renewal Plan Amendment

New wording is shown in *italics*, deletions are shown in ~~cross-out~~.

The Molalla Urban Renewal Plan ("Plan") is amended as follows:

700. DESCRIPTION OF PROJECTS TO BE UNDERTAKEN

To achieve the objectives of this Urban Renewal Plan, the following activities will be undertaken by the Urban Renewal Agency in accordance with applicable federal, state, county, and county laws, policies, and procedures, and will be coordinated with the Downtown Master Plan. Renewal Agency may fund these activities in full, in part, or it may seek other sources of funding for them. The Renewal Agency may prepare a Design Plan which will better define project locations. **The listing of projects is not an order of priority.** Priorities will be decided as funds become available, and opportunities arise.

1. PUBLIC IMPROVEMENTS

Definition - Public improvements include the construction, repair, or replacement of curbs, sidewalks, streets, parking, parks and open spaces, pedestrian and bicycle amenities, water, sanitary sewer and storm sewer facilities, utilities, and other public facilities necessary to carry out the goals and objectives of this Plan.

A. Public Parks and Open Spaces

The Renewal Agency may participate in funding the design, acquisition, construction or rehabilitation of public spaces, parks or public recreation facilities within the Urban Renewal Area. Projects that may be undertaken include:

- Develop a pedestrian/bicycle trail along abandoned railroad line.

B. Street, Curb, and Sidewalk Improvements

The Renewal Agency may participate in funding sidewalk and roadway improvements including design, redesign, construction, resurfacing, repair and acquisition of right-of way for *frontage improvements including but not limited to* curbs, streets, and sidewalks. Street, curb, and sidewalk improvements may include:

- Make streetscape improvements identified in the Downtown Master Plan.

- Install, and repair deficiencies in sidewalks in downtown Molalla.
- Install crosswalks and curb extensions in downtown Molalla.
- Participate in widening of Oregon Highways 211 and 213.
- Commercial Parkway extension to South Road and OR Highway 213.
- Molalla Forest Road improvements, including but not limited to
 - ❖ Improve Molalla Forest Road from Mathias to OR Highway 213.
 - ❖ Improve Mathias Road/Main Street Connection.
 - ❖ Widen Mathias Road.
- *Toliver Road (Sawyer Trucking)*
- *Industrial Way*
- *OR 213 Sidewalk*
- *Various other public utility improvements as designated by the Agency.*

C. Public Utilities

The Renewal Agency is authorized to participate in funding improvements to water, storm, and sanitary sewer facilities in the area. Utility improvements that may include:

- Place utilities underground throughout project area as funds permit.
- Provide water, sewer, and storm services as necessary to treat blighting conditions in renewal area, and to meet future development needs in renewal area.
- *Improve W Ross Street (Molalla Avenue to Kennel Avenue) and Kennel Avenue (W Ross to OR 211)*
- *Various other public utility improvements as designated by the Agency.*

D. Streetscape and Neighborhood Beautification Projects

The Renewal Agency is authorized to participate in activities improving the visual appearance of the project area. These improvements may include *frontage improvements*, street furniture, special lighting fixtures, landscaping, street trees, irrigation, decorative pavers, signs, and other fixtures and improvements. Areas for streetscape improvements include:

- Streetscape improvements along Highway 211.
- Streetscape improvements in downtown Molalla.
- *Center Avenue (Main Street to Ross Street)*
- *Center Avenue (E Ross to Robbins Street)*
- *Center Avenue (Robbins Street to Heintz Street)*
- *E. Ross Street (Molalla Avenue to Center Street)*
- *Ross/Center Alleys Improve W Ross Street (Molalla Avenue to Kennel Avenue) and Kennel Avenue (W Ross to OR 211)*

E. Public Safety Improvements

The Renewal Agency may participate in funding improvements needed for public safety purposes. Public safety improvements may include:

- Participate in funding traffic signals and signage at
 - ❖ ~~OR Highway 211 and Thelander.~~
 - ❖ The intersection of Main and Molalla.
 - ❖ ~~OR211 and Ridings.~~
 - ❖ *Molalla Avenue-OR211 Signal*
 - ❖ *OR 211 – Leroy Avenue Signal*

F. Public Buildings and Facilities

The Renewal Agency may participate in development of public facilities in the Renewal Area. The extent of the Renewal Agency's participation in funding public facilities will be based upon a Renewal Agency finding on the proportional benefit of that project to the Urban Renewal Area, and the importance of the project in carrying out Plan objectives.

Potential public facilities to be funded may include:

- Assist in improvements to fire station and public safety training facility
- Develop new public parking facilities.
- Assist in improvements to, or construction of public facilities, including city hall, and a conference/community center.
- *Acquisition of property for a Police Station and frontage improvements for the Police Station.*

- ❖ *The Police Station will serve and benefit the urban renewal area by providing improved facilities for the police and establishing a public safety presence in the urban renewal area.*

800. PROPERTY ACQUISITION AND DISPOSITION PROCEDURES

C. Properties to be acquired.

Property will be acquired for a future Police Station and frontage improvements associated with the Police Station.¹

¹ *This action was taken in the 2020 amendment and concurrence was received by the required taxing districts.*

Exhibit B

Report on Molalla Urban Renewal Plan Minor Amendment and Concurrence for Public Building Project

This Report provides information on the estimated project costs, share of those costs to undertaken with urban renewal funds and the estimated impacts on the overlapping taxing districts. The original Report to the Molalla Urban Renewal Plan (“Plan”) anticipated the full maximum indebtedness (“MI”) of \$26.2 million to be used by FYE 2029. However, analysis by Tiberius Solutions, LLC in April of 2020 indicates the amount of MI to be used through FYE 2029 would only be up to \$12.6M of the \$26.2M maximum indebtedness. This would allow for \$8M of projects between 2020 and 2029.

The Plan language suggests that the FYE 2029 duration is not a hard and fast limit, but was only the estimated completion date. There is no specific duration provision in the Plan. If the duration of the URA is extended five years through FYE 2034, Tiberius projected it would have capacity to fund an additional \$6.7M of projects, using up a total of \$19.4M of the maximum indebtedness, for a total of \$14.7M in projects through FYE 2020 to FYE 2034. It is anticipated that two of the projects will receive developer repayments, OR 211-Leroy Avenue Signal and Toliver Road. The total project costs include the repayment of those funds and re-using them on other future projects. This total anticipated repayment amount is \$1,225,000, for a total amount of \$15,925,000 to be spent on projects.

This amendment proposes to extend the timeframe for taking division of tax revenues to FYE 2034. The financial analysis predicts that approximately \$19.4M of the MI will be used during this timeframe and estimates that the debt will be retired in FYE 2034. The extension of the duration of the Plan estimates that approximately \$6.9 M of the \$26.2 MI will not be used even in the extended timeframe. Expenditure of the program income does not count against the maximum indebtedness. The overall impacts to taxing districts as projected in the original urban renewal plan have not changed as a result of this proposed amendment as the MI of the Molalla Urban Renewal Plan is not being changed. In fact, the overall impacts to the taxing districts are estimated to be smaller than the original estimates as the full MI will not be reached.

Table 1 identifies the proposed projects and project allocations. Table 1a is Phase I and Table 1b is Phase 2. The financial projections prepared by Tiberius Solutions LLC indicate a capacity for \$14.7M of projects in \$2020 dollars. Table 1 indicates the project costs and the anticipated urban renewal share of those costs.

Tables 2 and 3 show the estimated taxing district impacts during the extended timeframe, including FYE 2020. The difference between the dollars for projects and

impacts on taxing districts is due to the inflationary costs of projects over time (the projects table is in FYE 2020 dollars) and the costs of interest payments. By statutory definition, maximum indebtedness includes the principal amount of maximum indebtedness, not the interest paid on debt.

The Molalla River School District and the Clackamas Education Service District are not *directly* affected by the tax increment financing, but the amounts of their taxes divided for the Plan are shown in the following tables. Under current school funding law, property tax revenues are combined with State School Fund revenues to achieve per-student funding targets. Under this system, property taxes foregone, due to the use of tax increment financing, are substantially replaced with State School Fund revenues, as determined by a funding formula at the state level. If new school aged students move into these units and attend the local schools, the funding through the State School Fund would increase.

Table 1a - Projects to be Undertaken - Phase I

	PROJECT COST	MURD SHARE	DEVELOPER REPAYMENT/PROGRAM INCOME
Project			
Phase I			
Police Station - Property Acquisition			
Police Station Property Acquisition	\$250,000	\$100,000	
Downtown Streetscape/Public Infrastructure Participation			
Toliver Road (Sawyer Trucking)	\$200,000	\$200,000	\$200,000
Industrial Way	\$13,000	\$13,000	
W Ross St	\$650,000	\$500,000	
Kennel Avenue (W Ross to OR 211)	\$360,000	\$360,000	
Various	\$327,000	\$327,000	
State Highway Local Contribution			
Molalla Ave-OR 211 Signal	\$1,000,000	\$1,000,000	\$1,000,000
Subtotal Phase I		\$2,500,000	\$1,200,000

Source: City of Molalla

Table 1b - Projects to be Undertaken - Phase II

Project	PROJECT COST	MURD SHARE	DEVELOPER REPAYMENT/PROGRAM INCOME
Phase II			
Downtown Streetscape/Public Infrastructure Participation			
Center Avenue (Main St to Ross St)	\$720,000	\$720,000	
Center Avenue (E Ross to Robbins St)	\$1,312,000	\$1,312,000	
Center Avenue (Robbins St to Heintz St)	\$514,000	\$514,000	
E Ross St (Molalla Ave to Center St)	\$869,000	\$869,000	
Ross/Center Alleys	\$361,000	\$361,000	
State Highway Local Contribution			
OR 211-Leroy Avenue Signal	\$1,025,000	\$1,025,000	\$1,025,000
Local Streets-			
Molalla Forest Road	\$13,240,000	\$8,299,000	
Subtotal Phase II		\$13,100,000	\$1,025,000
Total	\$20,591,000	\$15,600,000	\$2,225,000

Source: City of Molalla

Table 2 – Projected Impacts to Taxing Districts – General Government Source: Tiberius Solutions Note: FYE is fiscal year end

		City of Molalla	Clackamas County City	Clackamas County Rural	County Extension & 4H	County Library	County Soil Conservation	FD 73 Molalla	PK Molalla Aquatic	Port of Portland	Vector Control	Subtotal
FYE		Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Gen. Govt.
2020	\$	(210,263)	\$ (95,276)	\$ (864)	\$ (1,996)	\$ (15,864)	\$ (1,996)	\$ (31,269)	\$ (11,577)	\$ (2,798)	\$ (259)	\$ (372,162)
2021	\$	(222,719)	\$ (100,920)	\$ (931)	\$ (2,114)	\$ (16,806)	\$ (2,114)	\$ (33,125)	\$ (12,264)	\$ (2,964)	\$ (275)	\$ (394,232)
2022	\$	(238,832)	\$ (108,221)	\$ (1,000)	\$ (2,267)	\$ (18,022)	\$ (2,267)	\$ (35,522)	\$ (13,151)	\$ (3,179)	\$ (295)	\$ (422,758)
2023	\$	(253,982)	\$ (115,086)	\$ (1,072)	\$ (2,411)	\$ (19,166)	\$ (2,411)	\$ (37,778)	\$ (13,986)	\$ (3,381)	\$ (313)	\$ (449,587)
2024	\$	(336,168)	\$ (152,327)	\$ (1,146)	\$ (3,187)	\$ (25,332)	\$ (3,187)	\$ (49,930)	\$ (18,486)	\$ (4,468)	\$ (414)	\$ (594,646)
2025	\$	(431,928)	\$ (195,718)	\$ (1,223)	\$ (4,091)	\$ (32,514)	\$ (4,091)	\$ (64,088)	\$ (23,727)	\$ (5,735)	\$ (532)	\$ (763,646)
2026	\$	(452,534)	\$ (205,055)	\$ (1,301)	\$ (4,286)	\$ (34,068)	\$ (4,286)	\$ (67,150)	\$ (24,861)	\$ (6,010)	\$ (557)	\$ (800,109)
2027	\$	(472,585)	\$ (214,141)	\$ (1,382)	\$ (4,477)	\$ (35,581)	\$ (4,477)	\$ (70,132)	\$ (25,965)	\$ (6,276)	\$ (582)	\$ (835,598)
2028	\$	(493,238)	\$ (223,499)	\$ (1,466)	\$ (4,673)	\$ (37,139)	\$ (4,673)	\$ (73,203)	\$ (27,102)	\$ (6,551)	\$ (607)	\$ (872,151)
2029	\$	(514,511)	\$ (233,139)	\$ (1,552)	\$ (4,875)	\$ (38,744)	\$ (4,875)	\$ (76,366)	\$ (28,273)	\$ (6,834)	\$ (634)	\$ (909,801)
2030	\$	(536,422)	\$ (243,067)	\$ (1,640)	\$ (5,083)	\$ (40,397)	\$ (5,083)	\$ (79,624)	\$ (29,479)	\$ (7,126)	\$ (661)	\$ (948,581)
2031	\$	(558,990)	\$ (253,293)	\$ (1,732)	\$ (5,297)	\$ (42,099)	\$ (5,297)	\$ (82,980)	\$ (30,722)	\$ (7,426)	\$ (689)	\$ (988,523)
2032	\$	(582,235)	\$ (263,826)	\$ (1,826)	\$ (5,517)	\$ (43,853)	\$ (5,517)	\$ (86,436)	\$ (32,001)	\$ (7,735)	\$ (717)	\$ (1,029,665)
2033	\$	(606,178)	\$ (274,675)	\$ (1,922)	\$ (5,745)	\$ (45,659)	\$ (5,745)	\$ (89,996)	\$ (33,319)	\$ (8,054)	\$ (747)	\$ (1,072,040)
2034	\$	(630,838)	\$ (285,850)	\$ (2,022)	\$ (5,979)	\$ (47,519)	\$ (5,979)	\$ (93,663)	\$ (34,677)	\$ (8,382)	\$ (777)	\$ (1,115,686)
Total	\$	(6,541,422)	\$ (2,964,093)	\$ (21,079)	\$ (61,998)	\$ (492,761)	\$ (61,998)	\$ (971,263)	\$ (359,589)	\$ (86,921)	\$ (8,060)	\$ (11,569,186)

Source: Tiberius Solutions

Table 3 – Projected Impacts to Taxing Districts – Education

	Clackamas Community College Clackamas ESD Molalla River SD			Subtotal	Total
FYE	Permanent	Permanent	Permanent	Education	All
2020	\$ (22,283)	\$ (14,718)	\$ (187,624)	\$ (224,625)	\$ (596,787)
2021	\$ (23,606)	\$ (15,592)	\$ (198,763)	\$ (237,961)	\$ (632,192)
2022	\$ (25,314)	\$ (16,720)	\$ (213,147)	\$ (255,182)	\$ (677,940)
2023	\$ (26,921)	\$ (17,782)	\$ (226,681)	\$ (271,384)	\$ (720,971)
2024	\$ (35,582)	\$ (23,502)	\$ (299,602)	\$ (358,686)	\$ (953,332)
2025	\$ (45,671)	\$ (30,166)	\$ (384,550)	\$ (460,387)	\$ (1,224,033)
2026	\$ (47,853)	\$ (31,608)	\$ (402,928)	\$ (482,389)	\$ (1,282,498)
2027	\$ (49,978)	\$ (33,011)	\$ (420,819)	\$ (503,808)	\$ (1,339,406)
2028	\$ (52,166)	\$ (34,457)	\$ (439,246)	\$ (525,869)	\$ (1,398,020)
2029	\$ (54,420)	\$ (35,946)	\$ (458,226)	\$ (548,592)	\$ (1,458,393)
2030	\$ (56,742)	\$ (37,479)	\$ (477,775)	\$ (571,996)	\$ (1,520,577)
2031	\$ (59,134)	\$ (39,059)	\$ (497,911)	\$ (596,103)	\$ (1,584,627)
2032	\$ (61,597)	\$ (40,686)	\$ (518,651)	\$ (620,933)	\$ (1,650,598)
2033	\$ (64,134)	\$ (42,361)	\$ (540,013)	\$ (646,508)	\$ (1,718,548)
2034	\$ (66,747)	\$ (44,087)	\$ (562,016)	\$ (672,850)	\$ (1,788,537)
Total	\$ (692,147)	\$ (457,174)	\$ (5,827,951)	\$ (6,977,272)	\$ (18,546,459)

Source: Tiberius Solutions Note: FYE is fiscal year end