



City of Molalla

Molalla Urban Renewal Agency

Meeting Agenda

August 14, 2013 at 7PM

Meeting Location: Molalla Adult Community Center, 315 Kennel Ave., Molalla, OR 97038

Time: 7 p.m.

Last Meeting: July 10, 2013

This meeting will be televised. The regularly scheduled meeting of the Molalla City Council will convene following adjournment of this meeting of the Molalla Urban Renewal Agency.

Public Comments: Those wishing to address the Urban Renewal Agency on any agenda item are asked to fill out and submit comment cards to the City Recorder prior to the start of the meeting.

1. CALL TO ORDER

- A. Flag Salute
- B. Roll Call
- C. Minutes of July 10, 2013

2. COMMUNICATIONS

3. NEW BUSINESS

- A. Potential Amendment to Molalla Urban Renewal Area – Information/Staff direction

4. PUBLIC HEARING

5. RESOLUTIONS

6. UPCOMING ITEMS AND MEETINGS FOR URA

7. ADJOURNMENT

Minutes of the Urban Renewal Agency
Molalla Adult Center
315 Kennel Ave., Molalla, OR 97038
Wednesday July 10, 2013

ATTENDANCE: Agency Member Rogge, Present; Member Pottle, Present; Member Clark, Absent; Member Thompson, Present; Member Wise, Present; Member Griswold, Present.

STAFF IN ATTENDANCE: City Manager Huff, Present; City Recorder Cramer, Present.

Member Thompson made a motion to approve the minutes of June 26, 2013, Member Wise seconded. Motion approved (5-0) Member Rogge, Aye; Member Pottle, Aye; Member Thompson, Aye; Member Wise, Aye; Member Griswold, Aye.

COMMUNICATIONS

Update regarding Hwy 211 STIP and ODOT 2015-18 Enhancements

City Manager Huff stated that ODOT contacted him and would like to do a portion of this project on Hwy 211 from Hwy 213 moving East to Ona Way. This project would happen next spring and the City's commitment to this project is approx.. \$200,000.00 which would come from the Urban Renewal Fund. CM Huff asked for direction from Council for staff to move forward.

Member Wise made a motion to direct staff to move forward on this project. Member Thompson seconded. Motion approved (5-0) Member Rogge, Aye; Member Pottle, Aye; Member Thompson, Aye; Member Wise, Aye; Member Griswold, Aye.

UPCOMING ITEMS AND MEETINGS FOR THE URA

Possible Plan/map amendments – City Manager

July 17, 2013 – Work session with the Molalla Fire District to discuss ECONorwest's detailed study per Council 6/26/13. Member Rogge announced that there is a work session scheduled with the Molalla Fire District on July 17, 2013. Public Works Director Howatt stated that the map amendments would be done for the work session.

ADJOURNMENT

Member Pottle made a motion to adjourn. Member Griswold seconded. Motion approved (5-0) Member Rogge, Aye; Member Pottle, Aye; Member Thompson, Aye; Member Wise, Aye; Member Griswold, Aye.

MEMO

TO: Dan Huff, Molalla City Manager

FROM: Elaine Howard

RE: Potential Amendment to Molalla Urban Renewal Area

DATE: July 31, 2013

The attached documents have been prepared to allow the Molalla Urban Renewal Agency (Agency) to proceed with a minor amendment to the Molalla Urban Renewal Plan to add three tax lots. One of the four tax lots being considered is already a part of the urban renewal area. The amendment is a minor amendment because it does not add more than 1% of the urban renewal area boundary. Attached are:

1. Map of original Molalla Urban Renewal Area
2. Map of properties to be added to the Molalla Urban Renewal Area
3. Resolution for the Molalla Urban Renewal Agency
4. Exhibit A to the Resolution. Exhibit A includes the updated Molalla Urban Renewal Area Boundary map.

You will need to update the legal description. I do not have the capability to do that. Once the Agency has passed this resolution, you must send a copy to the county assessor so the assessor's office can make the appropriate adjustments to the tax rolls and add the assessed value to the frozen base of the urban renewal area.

A few words of caution:

If these properties are privately owned at the time the assessor adds them to the urban renewal boundary and then become owned by a public body, the action of bringing them into the Area will impact your tax increment revenue collections. Your frozen base will be increased once the properties are added (if privately owned). However, once they are put into public ownership, the frozen base does not get reduced, so the taxing jurisdictions will still receive taxes on the frozen base even though these properties have become non-taxable. This will impact the collections to the Agency. Nick Popenuk of ECONorthwest could estimate these impacts.

Since the properties are occupied, you will also want to understand any relocation ramifications if tenants are required to move due to use of tax increment funds.

Map of Original Molalla Urban Renewal Area



Map of Potential Properties to be added in 2013 Amendment



To: Bob Vroman, Clackamas County Assessor

From: Dan Huff, City Manager and Executive Director of Molalla Urban Renewal Agency

Date:

On **DATE**, 2013, the Molalla Urban Renewal Agency adopted Resolution NO. **_____** adding three tax lots to the Molalla Urban Renewal Area. These tax lots are identified as:

Address	Tax Lot No.	Acres
414 N Molalla Ave	52E09CB08600	0.46
417 Kennel Ave	52E09CB09200	0.23
411 Kennel Ave	52E09CB09300	0.23

Attachments for Assessor:

Resolution and Exhibit A.

Updated Legal Description (prepared by the Molalla staff)

RESOLUTION PROPOSING A MINOR AMENDMENT TO THE MOLALLA URBAN RENEWAL PLAN ("PLAN")

Whereas, the City Council of the City of Molalla ("Council") approved the Molalla Urban Renewal Plan ("Plan") by adoption of Ordinance No.2008-15 on August 27, 2008; and

Whereas, the Urban Renewal Agency of the City of Molalla ("Agency") entered into an Intergovernmental Agreement with the Molalla Rural Fire Protection District on December 16, 2009; and

Whereas, said Intergovernmental Agreement stipulates that the Agency will reimburse the Fire District for revenue foregone during the life of the Plan; and

Whereas, the Agency finds it in the public interest to amend the Plan to add property to the Plan area, such property being parcels that will assist the Fire District in carrying out their responsibilities. Such amendments are proposed so that the original objectives in the Plan may be fully accomplished and the urban renewal projects called for in the Plan, as amended, may be completed; and

Whereas, the Agency finds the added property to be under one percent of the original acreage of the Molalla Urban Renewal Area, and therefore constitutes a minor amendment to the Plan; and

Whereas, the Agency finds the area to be added is blighted as defined by ORS 457.010(1) and is eligible for inclusion within the Plan because of conditions described in the Report, including the fact that the parcels are underdeveloped and show a prevalence of depreciated values, impaired investments to such an extent that the capacity to pay taxes is reduced and tax receipts are inadequate for the cost of public services rendered; and

Whereas, the Agency finds the project in Section F of the Plan of reimbursing the Fire District for improvements to the fire station and a public safety training facility serves and benefits the Area by allowing the Fire District to improve their facilities to improve their service delivery to the Area and to improve the safety of the fire district personnel; and

Whereas, the Agency, pursuant to the requirements of ORS Chapter 457, has prepared the amendment which is attached to this Resolution as Exhibit A, and incorporated herein by this reference ("Amendment"). The Amendment adds area to the Plan. The

Commented [EH1]: For what purpose are they going to use the property? These are the two actions specified in the plan, if other reimbursements are needed, must amend the plan to specify and potentially change the serves and benefits language

Amendment is accompanied by a report which contains the required information on the projects.

NOW THEREFORE THE AGENCY RESOLVES:

1. The Agency hereby adopts the Amendment to add area to the Plan as contained in Exhibit A.

Exhibit A

Molalla Urban Renewal Plan Amendment

Changed language is shown in *italics*

1. A new Page is inserted before the Introduction to state:

*The First Amendment to the Molalla Urban Renewal Plan was adopted by resolution by the Molalla Urban Renewal Agency on **DATE**. The amendment added three parcels to the Molalla Urban Renewal Area.*

2. Section 100. INTRODUCTION

The Introduction was updated to reflect the date of adoption of the Plan and the Ordinance No.

This urban renewal plan for the Molalla Urban Renewal Area was approved by the City Council of City of Molalla on August 27, 2008 by Ordinance No. 2008-15.

3. Section 700. DESCRIPTION OF PROJECTS TO BE UNDERTAKEN

1. F. was updated to cite how the fire station and public safety training facility serve and benefit the urban renewal area.

Reimbursing the Molalla Rural Fire Protection District for improvements to the fire station and a public safety training facility serves and benefits the Area by allowing the Fire District to improve their facilities to improve their service delivery to the Area and to improve the safety of the fire district personnel.

4. Exhibit 1 is updated to reflect the new boundary.
5. Attachment A is updated to reflect the new boundary description.

Exhibit 1: Molalla Urban Renewal Area



Amendment to the Molalla Urban Renewal Report

Changes are shown in *italics*

1. Section 100A. PHYSICAL CONDITONS

1. *Land Area and Conformance with 25 % limit on acreage*

Oregon urban renewal law limits the total acreage in urban renewal areas to 25% of the total acreage within a city. City staff advises that Molalla contains approximately 1,469.92 acres within its City limits. This would allow the City of Molalla to have approximately 367.48 acres in renewal areas. Staff estimates the total acreage in the boundary at 364.92 acres. The acreage in the proposed renewal area represents 24.83% of the total acreage in Molalla.

2. *Existing Land Use and Development*

The Molalla Urban Renewal area encompasses the downtown commercial district of Molalla, and some adjacent areas. Assessor's data shows that of a total of 316 tax accounts in the renewal area, 154 are commercial, 113 are single family residential, and 38 are industrial, with 10 accounts miscellaneous or tax exempt.

Address	Tax Lot No.	Acres	Assessed Value	Zone	Comp Plan
414 N Molalla Ave	52E09CB08600	0.46	91,871	C1	Central Commercial
417 Kennel Ave	52E09CB09200	0.23	67,892	R3	Multi-Fam Res
411 Kennel Ave	52E09CB09300	0.23	76,231	R3	Multi-Fam Res
Total		,92	235,994		

Source: Clackamas County Assessor

3. Blighting Conditions in Renewal Area

All three parcels to be added in the First Amendment have building to land values that are less than 1:1, representing depreciated values and impaired investments in the Area.

<i>Tax Lot No.</i>	<i>Building RMV</i>	<i>Land RMV</i>	<i>I:L</i>
52E09CB08600	31,610.00	117,396.00	0.27
52E09CB09200	26,440.00	57,070.00	0.46
52E09CB09300	32,840.00	57,070.00	0.58

Source: Clackamas County Assessor

7. Conformance with 25% limit on Assessed Values Land and Building values

It is assumed the adoption date of the renewal plan will establish January 1, 2007 as the frozen base date for the plan. The assessed value of real, personal and utility property in the *original* renewal area is estimated at \$40,576,676 for the 2007-08 tax year. The total assessed valuation of the City of Molalla for that year is \$384,173,177. *The total assessed valuation of the four parcels added in the 2013 amendment is estimated at \$235,994. The 2012 total assessed value for the City of Molalla is \$469,045,651.* The assessed value within the renewal area represents 8.7 % of the total assessed value of property within Molalla. Total assessed value within the renewal area therefore will be well within the maximum 25% of total valuation allowed by urban renewal law.

2. 100B. SOCIAL AND ECONOMIC CONDITIONS

Of the parcels, three are occupied as single family residences.

3. 200. ANTICIPATED FISCAL, SERVICE AND POPULATION IMPACTS OF PLAN

The parcels added in the 2013 amendment will allow the Molalla Rural Fire Protection District (Fire District) to better serve the Area by allowing the Fire District to improve their facilities to improve their service delivery to the Area and to improve the safety of the fire district personnel.

4. 300. REASONS FOR SELECTING THE URBAN RENEWAL AREA

The parcels selected in the 2013 amendment are selected due to their blighted condition and the ability to assist the Fire District in improving their facilities.