

AGENDA
CANBY URBAN RENEWAL AGENCY SPECIAL MEETING

April 21, 2021

5:30 PM***

Virtual Meeting/ Council Chambers

Meetings can be viewed on CTV Channel 5 and YouTube:

<https://www.youtube.com/channel/UCn8dRr3QzZYXoPUEF4OTP-A>

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https://zoom.us/webinar/register/WN_G35Pd79ISW-h2Ovrlqsn_w

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222 NE 2nd Avenue, 1st Floor

Chair Shawn Varwig

Commissioner Christopher Bangs

Vice-Chair Brian Hodson

Commissioner Traci Hensley

Commissioner Greg Parker

Commissioner Sarah Spoon

Commissioner Jordan Tibbals

1. CALL TO ORDER

2. CITIZEN INPUT & COMMUNITY ANNOUNCEMENTS

3. CONSENT AGENDA

A. Minutes from the March 3, 2021, URA Special Meeting.

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4. NEW BUSINESS

A. Discussion regarding the façade improvement program.

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B. Discussion regarding of refinancing of Urban Renewal Debt.

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5. ADJOURN

Executive Session – 6:00 PM

(Will begin after the Urban Renewal Agency

Special Meeting ends but not before 6:00 PM)

EXECUTIVE SESSIONS ARE CLOSED TO THE PUBLIC. Representatives of the news media and designated staff may attend Executive Sessions. Representatives of the news media are specifically directed not to report on any of the deliberations during the Executive Session, except to state the general subject of the session as previously announced. No Executive Session may be held for the purpose of taking final action or making any final decision.

1. CALL TO ORDER

2. EXECUTIVE SESSION: ORS 192.660 (2) (h) To consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.

3. ADJOURN

*The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to Melissa Bisset at 503.266.0733. A copy of this Agenda can be found on the City's web page at www.canbyoregon.gov. Urban Renewal Agency Meetings are typically broadcast live and can be viewed on CTV Channel 5. For a schedule of the playback times, please call 503.263.6287.

****In compliance with social distancing measures to protect the spread of COVID-19, we are requesting that rather than attending in person you watch the recorded meeting on YouTube: <https://www.youtube.com/channel/UCn8dRr3QzZYXoPUEF4OTP-A/> If you do not have access virtually, there are a small number of chairs provided inside so the City is in compliance with public meeting laws and the Governor's Executive Order.**

**CANBY URBAN RENEWAL AGENCY
SPECIAL MEETING MINUTES
March 3, 2021**

PRESIDING: Chair Shawn Varwig

COMMISSIONERS PRESENT: Christopher Bangs, Brian Hodson, Greg Parker, Sarah Spoon, Jordan Tibbals, and Traci Hensley.

STAFF PRESENT: Scott Archer, City Administrator/Agency Director; Joseph Lindsay, City Attorney; Jamie Stickel, Economic Development Director; Finance Director Julie Blums; and Melissa Bisset, City Recorder/ HR Manager.

CALL TO ORDER: Chair Varwig called the Special Meeting to order at 6:29 p.m.

CITIZEN INPUT & COMMUNITY ANNOUNCEMENTS: None.

CONSENT AGENDA: ****Vice Chair Hodson moved to adopt the minutes of the February 3, 2021 Urban Renewal Agency Special Meeting. Motion was seconded by Commissioner Spoon and passed 7-0.**

NEW BUSINESS

Consider Façade Improvement Grant Application from Yeonsil Jung for a business located at 356 NW 1st Avenue (Rice Time).

Jamie Stickel, Economic Development Director, presented the grant application. The applicant intended to update their façade to improve the property including putting in a new awning. The current awning was weathered and had some damage. The applicant submitted two bids as required. The grant could be awarded up to \$25,000 although the applicant did not anticipate using that much.

Commissioner Spoon asked if the application was limited to only the awning or could they include more work up to the \$25,000. Ms. Stickel said there was flexibility in the award to add work, however if the work went over \$15,000, they would need to come back with more bids.

Commissioner Spoon asked if applicants could apply again or if it was only a one time grant. Ms. Stickel said they could apply again. It was one time in a fiscal year for a specific property.

Commissioner Parker thought this would be a good project on 1st Avenue.

****Commissioner Bangs moved to approve the Façade Improvement Grant for Rice Time. Motion was seconded by Commissioner Spoon and passed 7-0.**

Annual Report Presentation

Ms. Stickel presented the 2019-2020 Canby Urban Renewal Annual Report. She reviewed the projects from 2019-2020 including Industrial Park access, Downtown Quiet Zone and Gateway Arch, former library building, and other investments such as Canby Fire District, Wait Park, and the Façade Improvement Program.

Julie Blums, Finance Director, provided the 2019-2020 financial overview. She explained the maximum indebtedness. As of June 30, 2020 they had \$6.7 million in maximum indebtedness available to spend on future projects. She also discussed the increases in incremental assessed value and tax increment revenue, impacts on taxing entities, and cash flow projections for fiscal years 2021-26. They could pay off the debt and be done with the District if they did not do any more projects by 2025-26. She had been exploring ideas of refinancing the debt because interest rates were extremely low and they could save over \$3 million in interest.

Vice Chair Hodson asked if they decided to do more projects, how far would it push out the payoff? Ms. Blums said it would push it out another year or two, and if they refinanced it would also push it out a year or two.

Ms. Blums discussed the estimated increase in assessed value due to development. Because they had formed the District and the development that had been done, the assessed value of the area had increased by \$190 million. She thought it was a good working Urban Renewal District.

Scott Archer, City Administrator/Agency Director, said the Agency would need to make some decisions about what they wanted to do about paying off the debt and letting the District sunset or extending the District timeline. He recommended pursuing the refinancing and staff would be bringing back the information. He thought they should hold a Work Session on this topic in the next six months.

Commissioner Parker suggested staff make a list of projects that could be accomplished with the remaining funds.

Commissioner Tibbals was in support of that suggestion.

Vice Chair Hodson suggested they also take a look at extending the District to the Walnut Street extension to possibly use Urban Renewal funds for the project.

Chair Varwig adjourned the Special Meeting at 7:03 p.m.

Melissa Bisset, CMC
City Recorder

Shawn Varwig
Chair



City of Canby

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City Council Staff Report

DATE: April 21, 2021
TO: Chair Shawn Varwig
THRU: Scott Archer, City Administrator
FROM: Jamie Stickel, Economic Development Director
ITEM: Administrative Approval Process for Façade Grants

Summary

The Urban Renewal Agency requested city staff bring forward the concept of creating an administrative approval process for Façade Improvement Program grants at the January 20, 2021 Urban Renewal Agency meeting.

Background

At the February 3rd Urban Renewal Agency meeting, staff presented an item which would amend the process regarding the Façade Improvement Program. Currently, façade improvement grants are reviewed and approved or denied by the agency at Urban Renewal meetings.

The Urban Renewal Agency opted to table the conversation as there was dialogue around historic building and district protection, process streamlining, and public input. Commissioner Bangs volunteered to work with Carol Palmer – a citizen who had sent a letter to the Urban Renewal Agency voicing her concerns – to evaluate and develop a process that addressed the concerns outlined at the Urban Renewal Agency meeting while also exploring administrative approval. Carol Palmer, Commissioner Bangs, and Jamie Stickel met in February to discuss a process that was reflective of the conversation had by the Urban Renewal Agency.

Discussion

Commissioner Bangs, Carol Palmer, and Economic Development Director Jamie Stickel met in February to discuss the process involved in submitting and approving façade improvement grants. The conversation centered on how to include administrative approval while also addressing the need for public input, particularly while there are buildings located in what could be a future historic district.

The group determined the process as follows:

1. A completed Façade Improvement Program application is received by city staff.
2. The application and supporting documents will be posted on the City of Canby website.

3. The link will be forwarded to the Design Committee and shared on the City of Canby Facebook page.
4. Public input will be received for 10 business days.
 - a. If there are no objections, the application can be approved by the Urban Renewal Director (City Administrator).
 - b. If an objection is received, an Urban Renewal Agency meeting will be scheduled to review and approve or deny the application.

City staff will work to promote the Design Committee as a way for citizens to be involved in the process. At the March Heritage and Landmark Commission meeting, staff broached the subject of public input in the process. Heritage and Landmark Committee members as well as interested citizens are welcomed to join the Design Committee and city staff will work to promote this opportunity. Furthermore, city staff will report to the Urban Renewal Agency on any approved Façade Improvement Program application approved by the Urban Renewal Director.

Attachments

Draft resolution for creating administrative approval.

Fiscal Impact

None.

Options

None.

Recommendation

None.

Proposed Motion

None.

RESOLUTION NO. #####

**A RESOLUTION TO RATIFY THE FAÇADE IMPROVEMENT PROGRAM
APPROVAL PROCESS**

WHEREAS, the City of Canby Economic Development Department will review applications and determine completeness, post the application on the City website, share with Design Committee members and on social media to receive public comment for 10 business days; and

WHEREAS, if there is no objection received, the Urban Renewal Director can approve through an administrative process; and

WHEREAS, if there is objection received, the application and supporting documents will go before the Urban Renewal Agency to be approved or denied; and,

WHEREAS, the Canby Urban Renewal Agency will receive reports on applications approved administratively and will continue to approve yearly Façade Improvement Program budgets as part of the Canby Urban Renewal Budget; now therefore,

IT IS HEREBY RESOLVED by the Urban Renewal Agency of the City of Canby, as follows:

Section 1. The Urban Renewal District transfers authority to the Urban Renewal Director to review Façade Improvement Program applications and approve completed applications which have not received objections within the Urban Renewal District.

This resolution shall take effect on, 2021.

ADOPTED by the Canby City Council on the 2021.

Brian Hodson
Mayor

ATTEST:

Melissa Bisset, CMC
City Recorder



City of Canby

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Urban Renewal Agency Staff Report

DATE: April 21, 2021
TO: Honorable Mayor Hodson and City Council
THRU: Scott Archer, City Administrator
FROM: Julie Blums, Finance and IT Director
ITEM: URA Debt Refinancing Discussion

Summary

The URA has an opportunity to refinance all of its outstanding debt plus an additional \$5 million at a much lower interest rate than the current debt.

Background

The URA bonded debt in 2010, 2011, and 2012 for capital project work. The interest rates on these three loans is between 3.25% and 7%. The original maturity date for all debt is 2036, however staff has structured a current repayment schedule that would pay off all of the debt in FY25-26.

Current interest rates are much lower and the URA has the opportunity to refinance the outstanding debt and save approximately \$5.8 million in interest costs. The new average rate would be about 1.2% and would still allow the payoff to happen in FY25-26.

Discussion

Does the URA Board want to refinance the existing debt and if so do they want to increase the debt by another \$5 million to be used for projects and operations of the District?

Attachments

- Urban Renewal Debt Refinancing Options

Fiscal Impact

Approximate savings of up to \$5.8 million

Options

1. Do nothing and continue to pay down debt under the existing bonds
2. Refinance just the existing debt (highest savings, projects would be spread out instead of all at once)

3. Refinance the existing debt plus another \$5 million as tax exempt bonds (requires \$4.25 million be spent in the first 3 years)
4. Refinance the existing debt plus another \$5 million as taxable bonds (no requirement to use the additional \$5 million in debt)

Recommendation

Staff recommends option 2 to refinance the existing debt and use the remaining maximum indebtedness over the 5 year loan payback period.



URBAN RENEWAL DEBT REFINANCING OPTIONS

JULIE BLUMS, FINANCE DIRECTOR

APRIL 21, 2021



URA MAXIMUM INDEBTEDNESS AND DEBT OVERVIEW

- Maximum Indebtedness (MI) for the Canby Urban Renewal Agency is \$51,149,000.
 - MI can be spent using cash funds from property taxes and/or acquiring debt that is repaid from property taxes
 - Remaining MI at 6/30/21 is projected to be \$4,456,557.
 - Part of the remaining MI will be used for operational costs until the District closes and the rest can be used for projects if the Board chooses
- The URA currently has three bonds with an outstanding principal of \$19,480,000.
 - 2010 – 1st Ave Redevelopment (no prepayment penalty)
 - 2011 – Police Facility (no prepayment penalty)
 - 2012 – Library/Civic Building and Sequoia Parkway (prepayment penalty until June 2022)

CURRENT CASH FLOW PROJECTION

OPTION I

- Total interest savings \$4 million
- \$1.4 million in maximum indebtedness would not be spent without keeping the district open for an additional year
- Project work could be done immediately or spread out over the 5 year payoff period.
- Interest rates are between 3.25% and 7%

	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26
Beginning Fund Balance	\$ 2,149,642	\$ 4,029,045	\$ 5,113,406	\$ 7,765,245	\$ 606,883
Revenue					
Property Tax - Current Year	4,340,617	4,557,648	4,785,530	5,024,807	5,276,047
Prior Yr Prop Tax	50,000	50,000	50,000	50,000	50,000
Interest	22,900	20,000	20,000	20,000	20,000
Misc. Income	198,704	39,769	35,752	31,579	14,726
Total Resources	\$ 6,761,863	\$ 8,696,462	\$ 10,004,688	\$ 12,891,631	\$ 5,967,656
Expenditures					
Due to City	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000
Materials & Services	25,000	25,000	25,000	25,000	25,000
Project Work	485,000	1,341,025			
Debt Service					
2010 1st Ave Redevelopment	216,950	213,375	209,450	205,175	995,550
2011 Police Facility	538,955	539,243	539,180	8,246,860	-
2012 Library/Civic Bld. & Sequoia Pkwy	1,016,913	1,014,413	1,015,813	3,357,713	4,497,106
Total Requirements	\$ 2,732,818	\$ 3,583,056	\$ 2,239,443	\$ 12,284,748	\$ 5,967,656
Ending Fund Balance	\$ 4,029,045	\$ 5,113,406	\$ 7,765,245	\$ 606,883	\$ (0)
Projected MI Remaining	\$ 4,456,557	\$ 2,700,301	\$ 2,281,053	\$ 1,857,632	\$ 1,417,358

CASH FLOW PROJECTION WITH A STRAIGHT REFINANCE

OPTION 2

- Total interest savings \$5.8 million
- Allows for the use of all maximum indebtedness
- Remaining project work would be spread out over the 5 year payoff period.
- Interest rate would be about 1.2%

	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26
Beginning Fund Balance	\$ 2,149,642	\$ 1,076,865	\$ 473,309	\$ 246,681	\$ 255,282
Revenue					
Property Tax - Current Year	4,340,617	4,557,648	4,785,530	5,024,807	5,276,047
Prior Yr Prop Tax	50,000	50,000	50,000	50,000	50,000
Interest	22,900	20,000	20,000	20,000	20,000
Misc. Income	177,977				
Total Resources	\$ 6,741,136	\$ 5,704,513	\$ 5,328,839	\$ 5,341,488	\$ 5,601,329
Expenditures					
Due to City	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000
Materials & Services	25,000	25,000	25,000	25,000	25,000
Project Work	485,000	750,000	600,000	600,000	665,830
Debt Service					
2021 Refinancing	3,851,565	4,006,204	4,007,158	4,011,206	4,008,174
2012 Library/Civic Bld. & Sequoia Pkwy	852,706				
Total Requirements	\$ 5,664,271	\$ 5,231,204	\$ 5,082,158	\$ 5,086,206	\$ 5,149,004
Ending Fund Balance	\$ 1,076,865	\$ 473,309	\$ 246,681	\$ 255,282	\$ 452,325
Projected MI Remaining	\$ 4,435,830	\$ 3,230,830	\$ 2,175,830	\$ 1,120,830	\$ -

CASH FLOW PROJECTION WITH REFINANCING + \$5M TAX EXEMPT

OPTION 3

- Total interest savings \$5.66 million
- Allows for the use of all maximum indebtedness
- Project work could be done immediately or spread out over the 5 year payoff period.
- Interest rate would be about 1.17%
- Must use \$4.25 million within the first three years

	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26
Beginning Fund Balance	\$ 2,149,642	\$ 5,085,862	\$ 1,586,132	\$ 919,361	\$ 499,819
Revenue					
Property Tax - Current Year	4,340,617	4,557,648	4,785,530	5,024,807	5,276,047
Prior Yr Prop Tax	50,000	50,000	50,000	50,000	50,000
Debt	5,000,000	-	-	-	-
Interest	22,900	20,000	20,000	20,000	20,000
Misc. Income	177,977	-	-	-	-
Total Resources	\$ 11,741,136	\$ 9,713,510	\$ 6,441,662	\$ 6,014,168	\$ 5,845,866
Expenditures					
Due to City	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000
Materials & Services	25,000	25,000	25,000	25,000	25,000
Project Work	485,000	2,615,830			
Debt Service					
2021 Refinancing	4,842,568	5,036,548	5,047,301	5,039,349	5,048,174
2012 Library/Civic Bld. & Sequoia Pkwy	852,706				
Total Requirements	\$ 6,655,274	\$ 8,127,378	\$ 5,522,301	\$ 5,514,349	\$ 5,523,174
Ending Fund Balance	\$ 5,085,862	\$ 1,586,132	\$ 919,361	\$ 499,819	\$ 322,692
Projected MI Remaining	\$ 4,435,830	\$ 1,365,000	\$ 910,000	\$ 455,000	\$ -

CASH FLOW PROJECTION WITH REFINANCING + \$5M TAXABLE

OPTION 4

- Total interest savings \$5.62 million
- Allows for the use of all maximum indebtedness
- Project work could be done immediately or spread out over the 5 year payoff period.
- Interest rate would be about 1.17%
- No requirement to spend the additional \$5 million

	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26
Beginning Fund Balance	\$ 2,149,642	\$ 5,074,578	\$ 1,560,170	\$ 887,797	\$ 457,321
Revenue					
Property Tax - Current Year	4,340,617	4,557,648	4,785,530	5,024,807	5,276,047
Prior Yr Prop Tax	50,000	50,000	50,000	50,000	50,000
Debt	5,000,000	-	-	-	-
Interest	22,900	20,000	20,000	20,000	20,000
Misc. Income	177,977	-	-	-	-
Total Resources	\$ 11,741,136	\$ 9,702,226	\$ 6,415,700	\$ 5,982,604	\$ 5,803,368
Expenditures					
Due to City	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000
Materials & Services	25,000	25,000	25,000	25,000	25,000
Project Work	485,000	2,615,830			
Debt Service					
2021 Refinancing	4,853,852	5,051,226	5,052,903	5,050,283	5,055,915
2012 Library/Civic Bld. & Sequoia Pkwy	852,706				
Total Requirements	\$ 6,666,558	\$ 8,142,056	\$ 5,527,903	\$ 5,525,283	\$ 5,530,915
Ending Fund Balance	\$ 5,074,578	\$ 1,560,170	\$ 887,797	\$ 457,321	\$ 272,453
Projected MI Remaining	\$ 4,435,830	\$ 1,365,000	\$ 910,000	\$ 455,000	\$ -

SUMMARY

	Option 1 Current 5 yr Payoff		Option 2 Straight Refinancing		Option 3 Refi + \$5M Tax Exempt		Option 4 Refi + \$5M Taxable	
	Debt Service	Available for Projects	Debt Service	Available for Projects	Debt Service	Available for Projects	Debt Service	Available for Projects
FY21-22	1,729,191	485,000	4,704,271	485,000	5,695,274	485,000	5,706,558	485,000
FY22-23	1,727,262	1,341,025	4,006,204	750,000	5,036,548	2,615,830	5,051,226	2,615,830
FY23-24	1,800,195	-	4,007,158	600,000	5,047,301	-	5,052,903	-
FY24-25	11,778,169	-	4,011,206	600,000	5,039,349	-	5,050,283	-
FY25-26	5,477,930	-	4,008,174	665,830	5,048,174	-	5,055,915	-
	<u>22,512,747</u>	<u>1,826,025</u>	<u>20,737,013</u>	<u>3,100,830</u>	<u>25,866,646</u>	<u>3,100,830</u>	<u>25,916,885</u>	<u>3,100,830</u>
Remaining MI	\$1,417,358		\$0		\$0		\$0	
Savings	\$4,019,686		\$5,795,420		\$5,665,787		\$5,615,548	
Interest Rate	3.25% - 7%		1.20%		1.17%		1.17%	
					Required to use \$4.25M in first 3 years		No requirement to spend the \$5M	

POSSIBLE USES OF REMAINING MI

- Façade Grants
- Beautification & Marketing
- Wait Park Improvements
- NW 3rd Ave Grant to Elm
- NW 4th Ave Grant to Elm
- SW 1st Ave Elm to Grant
- 99E Access Improvements
- N Berg Parkway - 99E to NW 3rd

STAFF RECOMMENDATION – OPTION 2

- Option 2
 - Highest savings
 - Allows for the use of all Maximum Indebtedness if the Board chooses to use it
 - All debt would be paid in full in FY25-26 allowing the District to close and tax revenue revert back to the taxing districts