



Mayor
Timothy Clark

Council President
Scott Harden

Councilors
Patricia Smith

Bruce Nissen

Mark Clark

**MEETING OF THE
WOOD VILLAGE CITY COUNCIL AND URBAN RENEWAL AGENCY**

March 27, 2018

MINUTES

PRESENT: Mayor Tim Clark, Council President Scott Harden, Councilors Patricia Smith, Mark Clark, and Bruce Nissen, Urban Renewal Board member Craig Howard, City Attorney Jeff Condit, City Manager Bill Peterson, Finance Director Peggy Minter, Public Works Director Scott Sloan, and interested parties.

ABSENT: Urban Renewal Board Members Stanley Dirks and Steve Morasch.

MAYOR TIME CLARK CALLED THE MEETING TO ORDER AT 6:00 PM.

CITIZEN COMMENTS (NON-AGENDA ITEMS)

There were none.

URBAN RENEWAL UPDATE

Peterson presented the update and stated that this intended to provide an update on several items and to obtain guidance on how to put together the budget in the year ahead. Peterson stated that the Urban Renewal Agency was formed in 2010, and includes 30 percent of the entire City including underdeveloped and undeveloped properties. Peterson stated that includes the area where the new Riverwood development is building, the former dog track site, and most properties along Halsey.

Peterson stated that the agency begin very slowly, and essentially dropped off for a few years due to an appeal of centrally assessed utilities. Peterson stated that kept the value of utilities in the Urban Renewal Agency and City at below the previously assessed values. Peterson stated that there was also the anticipation that 20 new homes would have been built in the Riverwood development by December 31st of this past year, but that did not occur. Peterson explained that the development is moving along, and the project is expected to be built out in about a year.

Peterson stated that there was an assumption that the multifamily development on this site would be underway by now, and that project has also been delayed. Petersons stated that the delays will result in lower revenue projections, but are looking good around the year 2020. Peterson stated that is also about the time when the agency would be going out for a revenue bond to finance projects.

Peterson stated that there are several pending projects. Peterson stated that the projects include Arata Road fencing for about \$300,000. Fencing at Riverwood for about \$50,000. There are the

incentives for the City Hall redevelopment for a little over \$966,000, and financing part of the new city hall building. Peterson stated that the incentives for the city hall redevelopment project are outlined in the development agreement, and are based on actual valuations. Peterson stated that the amount can be thought of as a lump-sum, do not exceed amount. Peterson stated that the specific incentives include new fencing adjacent to city hall with some lighting, utility relocations, and SDC and building permit payments.

Peterson stated that there are some potential upcoming developments that may also qualify for Urban Renewal incentives. Peterson stated that there is a builder/developer on 240th and Halsey with about 60 multifamily units and some commercial. The project will be a an outright mixed use project, with a value of about \$3 million. Peterson stated that project would return an overall value of about \$70,000 to the agency. Some incentives can be used for parking and landscaping. Peterson sated that there is also a four-plex on Arata, and while it may not be a large value project, some incentives will make a difference in the financial viability of the project.

Peterson stated that in summary, there are about \$2.9 million in pending projects. Peterson stated that there are several pending developments within the agency, and those projects will create revenues for the agency. Peterson stated that the plan as written is fairly broad with a lot of different projects include right of way improvements, affordable housing, public facilities, façade improvements, and other improvements within the agency area. Peterson stated that some of the projects do not need to be within the boundary, as long as the project benefits the agency. In that case, the agency can fund up 30 percent of those kinds of projects.

Peterson stated that \$1.2 million is planned to be financed from the City to the agency, and that is how the agency will complete some of the near term projects including the city hall redevelopment and fencing projects. Peterson stated that another \$1.7 million will be needed for the city hall site, for a total of about \$2.9 million.

Peterson stated that he met with the financial advisor for the City and Agency to discuss upcoming bond projects. Peterson explained that meeting included some bond counsel representatives on what kind of bond to issue and how the bond can be issued. Peterson stated that there are no legal issues with the agency building something and giving the ownership of that thing to a private property. However, those projects cannot be under a tax exempt bond. Peterson stated that we have about \$600,00 worth of fences to build. The bond counsel suggested using cash to build the fences and using more debt service for the city hall building. Peterson stated that while the debt would be structured slightly differently than originally anticipated, the bottom line ends up in the same place.

Peterson stated that the agency could also build and own the fences along Arata. Peterson stated that the fencing would vest back with the City, and not with the adjacent property owner.

Peterson stated that there is some potential liability with ownership, but the City would have the ability to maintain and keep up the appearance. Peterson stated that the other aspect of the project is that if the fence vests with the property owners and they do not want it, the project ends up being piecemealed. The public ownership enables the full buildout along Arata.

Peterson stated that the agency could either build the fences with cash and not finance the project, or choose to put the fence in the public ownership and finance the project. Peterson stated that will not work for the Grove Tec fence, but it would work for the other two fence projects. Peterson stated that taxable bonds can be issued, but that method does cost more. Tim Clark stated that he feels it is better to hold the projects in public ownership to ensure the long term care and maintenance of the items.

Tim Clark asked about the expense of issuing bonds, and if there are other projects that could be added to the first bond to save on costs over time. Peterson stated that costs are a flat amount, so there is the potential for some savings. Peterson stated that it why other potential projects are being discussed. Peterson stated that there will be maintenance costs depending on what is built, and the agency cannot be used to fund long term maintenance. Condit stated that money cannot hold over after the agency expires, except for debt service. All other funds go back to the underlying taxing districts.

Peterson stated that additional projects include façade renovation programs along main gateway areas. Peterson stated that in this case, it would be for the homes along 238th or Halsey St. The agency could upgrade the facades, landscaping and fencing to upgrade the look along the main streets in the City. Peterson stated that kind of approach can make a big difference in aesthetics of the community. Harden asked how the debt would work. Peterson stated that pending bond counsel and financial advisor approval of the project, the debt could be issued and improvements made. Smith stated that if the purpose is to improve the look in residential areas, then it should be paid for 100 percent. Harden agreed, and stated that most of the people in these targeted areas do not have the money to match any funds.

Peterson stated that the core question is about the level and amount of financing the agency will take out. Peterson stated that the amount is different depending on if it is just for the known projects, or if it is for some potential future projects as well. Peterson stated that this will not occur for a couple of years, so there is time to think about all the project and strategies. Peterson stated that issuances should be around \$2.5 and \$4 million for an agency of this size.

Tim Clark asked if the bond issuance can be done in phases. Peterson stated that it can, but there are limits on how long the phases are. Condit stated that there are a number of variables that will need to be considered, and some of the variables deal with the specifics of the agency. Tim Clark stated that he would like to focus on city hall first, and then put the full effort into the next

round of projects. Peterson that debt cannot be issued for unknown projects. The projects have to be specific or already completed.

Peterson stated that the bond would be a full faith and credit bond, which means that it is ultimately a City debt. Peterson explained that does not mean that there needs to be a vote or levy, but most of the City's revenues would be subject to paying back the bond if there was a default. Harden asked what would occur if the bond does not sell. Peterson stated that is why we are working with bond counsel now.

The Council and Urban Renewal Members thanked Peterson for the update.

RESOLUTION 7-2018 ENGAGEMENT LETTER WITH HAWKINS DELAFIELD & WOOD LLP FOR BOND COUNSEL

Peterson stated that this resolution is the next step in the bond issuance. Petersons stated that this would add to the team of the financial advisor, and the resolution authorizes to contract with Hawkins Delafield & Wood as the bond counsel for the Urban Renewal Agency.

Tim Clark asked about the timeline on this issuance agreement. Peterson stated that the agreement would be initiated right away, and there is an hourly rate which is paid at the time of issuance. Tim Clark stated that he is still concerned about the sale of city hall site, and wants to ensure that he sale moves forward.

Upon motion by Mark Clark, seconded by Nissen and passing 5-0, Resolution 7-2018 authorizing the engagement letter with Hawkins Delafield & Wood as the bond counsel for the Urban Renewal Agency was approved.

DISCUSSION: CITY REALTOR SELECTION PROCESS

Peterson presented the discussion and stated that there is signed agreement with the architect, and there will be a kick of meeting in a few weeks. Peterson explained that part of that work will begin with potential sites, and we do not know what is or is not in the market or available. Peterson stated that there are several ways to find out the status of properties. One of the ways is just to call and ask. Peterson stated that in his experience the value tends to increase if the seller knows the City is interested. Peterson stated that we can also hire a real estate broker, and those brokers come in different methods and types. Peterson stated that the firm representing the city hall sale is a serious firm, which also means serious money. Peterson stated that a trusted home town realtor can also be used, and that approach may not be much suspicion behind scoping potential sales.

Peterson stated that real estate agents do not require an RFP or RFQ, and the City can just hire one. Mark Clark thought of the person mentioned in the staff repot as soon as he saw the agenda

item. Smith agreed. Peterson stated that this what staff thought as well, but has not had time to talk with the agent. Peterson stated that the recommendation is to move forward with Karen Schaaf at Remax, and pen down the six or so potential sites. Peterson stated that there may be some option costs, which can throw away costs if the sale does not move forward.

The council agreed.

PUBLIC WORKS DIRECTOR'S REPORT

Sloan presented the report and stated that the park irrigation design is at 95 percent complete with 100 percent plans expected next week. Sloan stated that the Cedar Lane project is on hold, pending additional funding, but the project is ready to go. Sloan stated that the Shea lift station issue is ongoing with about \$14,000 still outstanding from the property owner. Sloan stated that a letter was sent to the tenants and owner last week about the situation, and have not her back from anyone. Tim Clark asked about the threats of litigation. Condit stated that if an actual suite is filed then things change, but up until then the threat of a suite does not mean the communication needs to change. Condit stated that often times getting layers get involved brings things into legal perspectives which can actually calm things down.

Sloan stated that the Cottonwood water line project is still proceeding, and are looking for a contractor to pressure test the carrier pipe. Sloan stated that the park master plan had a meeting two weeks ago with the Parks Commission. The entry designs were approved, and other elements of the master plan update were discussed. Sloan stated that the City applied for a couple of Oregon State Park grants for park improvement projects. Sloan stated that there was also a presentation to the county CDBG board for the park irrigation construction project, which was granted \$70,000. Sloan stated that super brewing has applied for building permits, and the Riverwood South project is moving along.

FINANCE DIRECTOR'S REPORT

Minter presented the report and stated that the report is through the end of February. Minter stated that all revenues and expenses are within budget and expectations. Minter stated that the property taxes are on track, and the interest revenue rate is at 2.1 percent. Minter stated that equates to about \$9,000 a month in income. Minter stated that total investments are about \$5.9 million. Minter stated that the budget process is coming along, and the first budget hearing is next month.

CITY MANAGER'S REPORT

Peterson presented the report and stated that the Annual Performance Plan is in the packet, and there are no concerns with its progress at this time. Peterson stated that the Arata Road project should begin next month. Peterson stated that the kick off meeting with architects for the city hall building will be in a couple of weeks. Peterson explained that there is still a risk in the sale

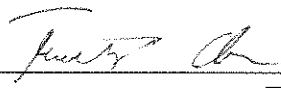
of this property including the Boli report, but there are multiple backup plans if the decision is not favorable.

CITY COUNCIL REPORTS

Tim Clark stated that there is a three-cities meeting tomorrow. Tim Clark stated that he also received an email from Multnomah County Commissioner Stegmann's office regarding a potential plastic bag ban. Tim Clark stated that he would have more information on that in a month or so. Tim Clark stated that value pricing is also still moving forward, and the federal government has the final say on the proposal. Tim Clark stated that the path at this point would be to have a congestion fee on all of I-5 and I-205 for all lanes. Tim Clark stated that the final recommendation is due to the federal government by December.

ADJOURN

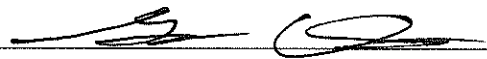
With no further business coming before the Council, the Council adjourned at 8:03pm.



Timothy Clark
Mayor

11/28/18
Date

ATTEST:



Greg Dirks: City Recorder