

AGENDA
Urban Renewal Advisory Committee Meeting
City Hall
211 Second Street

Thursday, November 19, 2020
*****5:30 p.m.*****

The City of Hood River is taking steps to limit exposure and spread of COVID-19 (novel coronavirus). In support of state and federal guidelines for social distancing, the City of Hood River will hold this meeting by using Zoom Conferencing.

Please use the following phone number or video link:

<https://us02web.zoom.us/j/85228012478>

(253) 215-8782

Meeting ID: 852 2801 2478

Members of the Urban Renewal Advisory Committee and City staff will participate by telephone or computer, they will not be on site at City Hall during the meeting. The audio recording of the meeting will be posted shortly after the meeting on the City's website. Please check the City's website for the most current status of planned public meetings.

<https://cityofhoodriver.gov/administration/meetings/>

I CALL TO ORDER

II MIG / HEIGHTS PROJECT CHECK IN

III BUSINESS FROM THE AUDIENCE

The Urban Renewal Advisory Committee encourages community members to talk about issues important to them. If you wish to speak during "Business from the Audience", there are two options to choose from:

1. Submit written comments to Finance Director/Assistant City Manager w.norris@cityofhoodriver.gov by Thursday, November 19 no later than 12 noon in order to distribute to the URAC in one packet for review by 3pm. All comments will be added to the record.

2. To address the Advisory Committee during Business for the Audience, email the request (name of speaker and topic) to w.norris@cityofhoodriver.gov by Thursday, November 19, no later than 12 noon. Please specify the topic your testimony addresses. Testimony will go in order of requests received. Attendees that have registered will be unmuted by the IT Administrator for 3 minutes to address URAC. Public comment will be by audio only. At the Chairs discretion, public comments may be received prior to a specific topic of relevance during the meeting.

- IV AGENDA ADDITIONS OR CORRECTIONS
- V APPROVAL OF MINUTES – August 20, 2020 PAGES 3-6
- VI URBAN RENEWAL ADMINISTRATOR
 - 1. Waterfront Stormwater Line Funding PAGES 7-11
- VII COMMITTEE MEMBER TERMS
 - Two members terms expire at the end of 2020. Quick update on application process and appointment timelines
- VIII ITEMS FROM MEMBERS
- IV ADJOURN

NOTE: All public meeting locations are accessible. Please let the City Recorder know if you will need any special accommodations to attend the meeting. Call (541) 387-5212 for more information. OREGON RELAY SERVICE 1-800-735-2900

Urban Renewal Advisory Committee Meeting
Regular Meeting
August 20, 2020

Present: Chair Jack Trumbull (joined at 5:33 p.m.) Vice Chair Pat McAllister, Abby Capovilla, Tina Lassen, Amanda Goeke, Joshua Chandler, Clint Harris

Staff: Director of Finance/ACM Will Norris

Absent:

I CALL TO ORDER – McAllister opened the meeting at 5:30 p.m.

II BUSINESS FROM THE AUDIENCE

III AGENDA ADDITIONS

Norris added an items under Urban Renewal Administrator, verbal update on the police facility site.

IV APPROVAL OF MINUTES

Motion: To approve the meeting minutes of May 28, 2020 as written

First: Lassen

Second: Harris

Discussion: None

Vote: Motion passed unanimously

Trumbull joined the meeting at 5:33 p.m.

V URBAN RENEWAL ADMINISTRATOR

1. Heights Urban Design & Engineering Project – MIG Scope of Work

Norris stated the meeting packet includes the staff report and scope of work from MIG. What is before URAC today is to provide a review, receive comments and a recommendation to the Urban Renewal Agency Board. This project began in 2017 when projects were prioritized that are in the 2011 Heights Urban Renewal Plan. There was a large community push to look at changing the traffic flow in the Heights. That spurred on a workshop conducted by Dan Burden. Streets Alive got momentum that the URA should look into funding some type of traffic flow changes to the right of way in the Heights. A RFP was put out to do so and bids were received. MIG was the No. 2 bidder. No. 1 bidder was selected and they went through some initial phases and the URA decided to exercise a no fault contract termination. The scope before URAC today has a lot of lessons learned, from that first round about how big of a scope change this is. They are looking at a transformational exercise in the

Heights when they talk about changing traffic flows from one-way to two-way or changing parking to seating, or moving car to car/bike sharing areas. It is a massive undertaking and Norris believes they learned through this process. There is not a consensus of opinions out there. There is going to be a lot of public process to work through.

What he has heard from the Advisory Committee is that public process is important and all stakeholders need to be engaged. That is one of the things that was really built into this process; and the cost increase. There is a minimum of 16 meetings in this scope, as well as 15 minute check-in with the Urban Renewal Agency directly with the consultants at every Urban Renewal Advisory Committee meeting. This scope of work also includes a COVID-19 outreach plan. The Next Door is included in the contract price with MIG, as a sub consultant. This also includes a traffic system amendment. All infrastructure in the City (water, sewer, storm and roads) has a master plan. It is usually updated every 10 year but can be amended more regularly. When things are in the TSP, they can charge System Development Charges to support them. The demonstration project is built in but could result in contract savings, if they choose not to exercise that. There is also RFP support. One of the biggest things in this Norris wants to do, is make sure it does not sit on a shelf when it's completed. This includes continued carried on transitional time with the consultants to put together the RFP for the very first project that gets identified. Norris stated it would get adopted, and they would get RFP for the first capital project. There is also a phased implementation of this contract. While the total could be up to \$494,000 with all contingencies on all optional projects, at this time they are only looking for authorization for the first \$130,000. That comes with distinct deliverables that are outlined in the scope. They will have time to work through Phase 1, get deliverables that have stand-alone value. They will then see whether or not they are happy with the work and decide if they want to move forward to authorize Phase 2 amount of money. They will have another check-in after Phase 2; determine if they want to authorize Phase 3 amount of money. There are several off-ramps where they have clear valuable deliverables given to the Urban Renewal Agency. Other than those main differences, the general structure is the same. There will be design values and that will be turned into multiple concepts. Those multiple concepts are narrowed down to a preferred concept and implementation plan, with an enormous amount of public outreach and input throughout the process.

Norris stated the key question now for URAC is a gut check. They have really flushed out how big of a project this is going to be, if they want to transform the Heights right away. It could be up to a half million dollar project. This is a good time for URAC to confirm if this is what they want to do. If it is, this is the contract that does it. Norris believes this project really does put them on the path of spending far more than \$8.3 million in the long run. Where that money comes from is to be determined. This is about creating a really transformational plan for the Heights. It's the main question for URAC and any input they have for the Agency.

The Advisory Committee discussed and agreed to move forward. There was support of the three phase process with check-in's.

Norris explained why there are not timelines at this moment, with each phase. With this being so "high touch" with public involvement, timelines would be fictional at this point. If they hit a high controversial piece or if there is a change in direction, a timeline would not be followed. Schedules will be set for each phase as they are authorized. At kick-offs for each phase, a schedule will be decided. If this all goes smoothly with no issues, Norris believes this could be completed within 12 months.

There was discussion and recommendation from the committee for a critical eye on the number of public meetings with MIG. He can discuss with MIG about the importance of each of the meetings and report to the Agency Board.

Norris is looking for recommendation from the Advisory Board to move forward with the presented concept of the phased approach that is described and moving forward with Phase 1.

Motion: I move to approve the recommendation and the Phase 1 expenditure of \$130,000.
First: McAllister
Second: Capovilla
Discussion: None
Vote: Motion passed unanimously

2. Update on the Police Facility Site

Norris stated the City Council packet went out today. One of the items is to look at seven sites for the police department. The highly most ranked site is the Columbia Lot. He expects that it will be selected but he can't say for sure until after Council discusses. Staff's recommendation is to pause the contract with the current architects. The next step was for preliminary design and cost estimating. Staff recommends stopping and save the rest of the money and rebid for preliminary design and cost estimation for a joint police department and parking garage. If they build in the Columbia Lot, they are going to have to replace the parking that is lost. It would be more cost effective if they design both at the same time. If that is approved by Council, Norris will return to the Advisory Committee asking for approval to pay for half the cost of that design and cost estimation for the parking garage piece. No decision needed at this time, he just wanted to give inform the group.

VI ITEMS FROM MEMBERS

VII ADJOURN – 6:08 p.m. by unanimous consent.

Jack Trumbull, Chair

Jennifer Gray, City Recorder

Approved by the Agency on _____



HOOD RIVER URBAN RENEWAL AGENCY

Urban Renewal Advisory Committee

211 2nd Street, Hood River, OR 97031 Phone: (541) 387-5214

DATE: November 19, 2020

TO: Urban Renewal Advisory Committee (URAC), Jack Trumbull, Chair

FROM: Will Norris, Finance Dir. / Asst. City Manager

SUBJECT: Waterfront Stormwater Line Replacement

Purpose:

The purpose of this item is to establish the Waterfront District's contribution to the Waterfront Stormwater Line Replacement project. The project's funding gap is an estimated \$4,244,008 if no Urban Renewal Dollars are allowed and the Agency requests repayment of the prior \$250,000 in Urban Renewal monies contributed to the project to-date. The Waterfront District has approximately \$2.6 million in remaining maximum indebtedness that can be applied to the project.

Background:

A seasonal sinkhole developed over a collapsed section of stormwater pipeline in the waterfront area. The collapsed corrugated metal pipeline was installed by the Army Corps of Engineers in the early 1960s. The City Council received a report detailing the least cost replacement plan among several alternatives at their August 12, 2019 meeting. The least cost plan raises and relocates the failing line from underneath several buildings and into the public right-of-way. The least cost solution also diverts stormwater runoff from the south away from the waterfront district via an enhanced wetland that drains to the Waucoma Basin.

The City Council authorized Phase I Construction of the stormwater line replacement project at a [special meeting on August 31st](#). This initial phase was necessary to immediately stabilize the Hood River Distillers property ahead of winter. This work was completed in the first week of November. The following phases of the construction will occur over the next two to three years and are still undergoing final design and permitting.

Project Funding Update:

The project's funding gap stands at an estimated \$4,244,008. Below is a summary of recent project developments impacting its budget:

Loss of Lottery Revenue Bond (\$1,700,000)

Hood River's legislative delegation obtained language in HB 5030 (2019) that authorized the State Treasurer "to issue lottery bonds in an amount that produces \$1.7 million in net proceeds [...] for distribution to the City of Hood River for replacement of the Hood River Waterfront storm line." The Oregon State Treasury has since notified the City that due to COVID-19 lottery revenues had declined to a point that the underlying bonds could no longer be sold to investors (see Exhibit B). While it is possible there may be a future bond sale, the City can no longer rely on this \$1.7 million in project funding.

Increased Project Costs

Project costs have increased from \$4.0M to \$5.2M through a series of required project modifications. The largest upward cost revision is due to the addition of downtown stormwater pretreatment facilities and construction of a maintenance road necessary to access these

facilities. These project modifications are required by environmental regulatory agencies as a condition of approval.

Administrative Delays

Project financing is typically in place prior to beginning construction. However, administrative processes have been moving abnormally slow due to COVID-19. This meant that construction on the emergency Phase 1 had to move forward while still undergoing State Historic Preservation Office review and comment as a precondition to DEQ financing. Because of this, no Phase 1 construction activities could be funded by the DEQ loan. The City must finance Phase 1 construction activities locally, estimated at \$1,135,709. The updated project costs and available funding sources are included in Exhibit A.

Major Considerations:

When deciding how to allocate Waterfront District monies, it is important to know their alternative uses as well as alternative resources that can be applied to the Waterfront Stormwater Line Replacement project. Below is a summary of these considerations:

Alternative Waterfront District Projects

The Waterfront District has substantially accomplished its intended projects. The remaining projects from the District's Plan include administering a business marketing program and upgrades to Riverside Drive. The Agency held several meetings on the possible funding of Lot 1 improvements in early 2020 but no decisions were made.

Alternative Sources of Locally Controlled Revenue

Replacement of the Waterfront Stormwater Line must be completed to protect the buildings built over the line and to avoid district flooding. This means that any project funding gap that remains after state, federal, and grant resources are exhausted must be closed with locally controlled revenues. Outside of Urban Renewal funding, the City of Hood River controls:

Stormwater Rates

The City Council is authorized to set stormwater utility rates by resolution. The City could increase city-wide utility rates sufficient to fund a portion of the Waterfront Stormwater Line project. The City has approximately 3,250 stormwater accounts. If the project's full \$4,244,008 funding gap is applied equally to all accounts, each will pay \$1,305. This amount may be spread over many years.

Local Improvement District

The City may levy a special property tax assessment on properties benefitted by the Waterfront Stormwater Line, namely waterfront district businesses. The levy may be spread over period of up to 30-years. The City last used a Local Improvement District to pay for a portion of the Cascade District's State Street Improvement project.

General Fund Dollars

The City's General Fund is fully discretionary based on the City Council's direction. The largest sources of City General Fund revenues are city-wide property taxes, transient room taxes, franchise fees, ambulance charges, and parking revenues. This money is principally spent on Police and Fire/EMS services and to a lesser extent Parks, Planning, and other smaller city departments. COVID-19 substantially impaired City revenues. While the organization is operationally stable there is not excess resources for major new projects. Any General Fund contributions to the Waterfront Stormwater Line Replacement project would need to be offset by budget cuts to other programs.

Increasing Waterfront Maximum Indebtedness

ORS 457 allows Urban Renewal Districts to increase their total maximum indebtedness after obtaining written concurrence of taxing districts imposing at least 75 percent of the amount of taxes imposed under permanent rate limits.

Staff Recommendation:

- a) Forward a recommendation to the Urban Renewal Agency board to support spending the Waterfront District's remaining maximum indebtedness on the Waterfront Stormwater Line replacement project.
- b) Consider requesting an increase in the Waterfront District's maximum indebtedness to help further offset the cost of the Waterfront Stormwater Line Replacement project and forward the Committee's recommendation (if any) to the Urban Renewal Agency Board.

Attachments

1. Waterfront Stormwater Line Project Cost Allocation Worksheet
2. State of Oregon Letter on Loss of Lottery Bond Revenue

Waterfront Stormwater Line Project Cost Allocation Worksheet

		Project Cost		
Design, Admin, Legal & Permitting (DEQ)		932,795	-	
Phase 1 - Construction		1,135,709	-	
Phase 2 - Construction (USDA)		1,502,160	-	
Phase 3 - Construction (USDA)		1,016,220	-	
Phase 4 - Construction (USDA)		589,740	-	
Estimated Private Property Costs		-	803,461	
		\$ 5,176,624	\$ 803,461	Available to Allocate
		Public	Private	
DEQ CWSRF	\$ 932,795	\$ 932,795	Not Eligible	\$ -
USDA RUS Loan/Grant	3,108,120	3,108,120	Not Eligible	-
OR Lottery Revenue	-	No Longer Available		-
Urban Renewal	2,633,435	-	-	2,633,435
Local Improvement Dist.	5,176,624	-	Not Eligible	5,176,624
Stormwater Utility	5,176,624	-	Not Eligible	5,176,624
Land Owners	803,461	Not Eligible	-	803,461
Funding Gap		\$ (4,244,008)	\$ (803,461)	
Funded Status		18%	0%	



Oregon

Kate Brown, Governor

Department of Administrative Services

Chief Financial Office
155 Cottage Street NE U10
Salem, OR 97301
PHONE: 503-378-3106
FAX: 503-373-7643

July 10, 2020

To: Recipients of Grants Authorized by HB 5030 in 2019 Legislative Session

Re: Status of Grant Funding from State of Oregon

The effects of the coronavirus pandemic have reached every corner of Oregon and created considerable financial uncertainties and challenges. Lottery revenues have been particularly impacted by the closure of bars and restaurants and the temporary inactivation of video lottery terminals. Based on the Office of Economic Analysis (OEA) June 2020 Economic and Revenue Forecast, lottery revenues for the 2019-21 biennium are projected to be 23.7% less than what was forecasted when Lottery Bonds were authorized in the 2019 legislative session.

Due to this projected decrease in revenues, the State Debt Policy Advisory Commission (SDPAC) analyzed the impact of the updated forecast on the state's capacity to issue debt in the current and future biennia. Unfortunately, lottery revenues are forecast to be insufficient for the State to issue additional Lottery Bonds in the 2019-21 biennium. As a revenue bond, secured by lottery revenues, the State's Lottery Bond indenture requires a four-times revenue to debt service coverage ratio. SDPAC projects that the lottery debt service coverage ratio on previously issued and outstanding lottery bonds will only be 3.1 times in fiscal year 2021. Therefore, Lottery Revenue Bonds will not be issued in the spring of 2021, as was originally planned. This means funding will not be available for grants that were approved by the Legislature in House Bill 5030 (2019).

We recognize that the lack of anticipated grant funding represents a considerable setback for projects and will notify recipients if the official projection of lottery revenues in the OEA September or December 2020 forecast improves to a level that would support the issuance of additional Lottery Bonds this biennium. However, based on the most current information we have, the 2019-21 lottery bond sale will not be completed. Therefore, we will not move forward with the execution of any Declaration of Official Intent to Reimburse Capital Costs with Oregon Lottery Revenue Bonds or grant agreements.

During the 2021 legislative session, the projects that did not get funded in the 2019-21 biennium will be re-evaluated by the Legislature for inclusion in a future Lottery Bond sale in the 2021-23 biennium. Grant requests will need to be updated with current project information and resubmitted to the Legislative Fiscal Office during the 2021 session.

If you have any questions, please contact me at (503) 378-3107 or by e-mail at jean.l.gabriel@oregon.gov.

Sincerely,

Jean Gabriel
Department of Administrative Services, Capital Finance Manager