



MADRAS REDEVELOPMENT COMMISSION

125 SW "E" Street Madras, OR 97741
Phone: 541-475-2344 Fax: 541-475-7061

Agenda

City Hall
Council Chambers

November 4, 2015
5:30 P.M.

1. Call to Order
2. Consent Agenda
 - A. Adoption of Agenda
 - B. Adoption of the October 21, 2015 MRC Meeting Minutes
 - C. Approval of the October 2015 MRC Vouchers
3. Visitors Comments:
4. Urban Revitalization Action Plan Project Update

Nicholas Snead, Community Development Director
Lorelei Juntunen, EcoNorthwest
Emily Picha, EcoNorthwest
Nick Popenuk, EcoNorthwest
Elaine Howard, Elaine Howard Consulting
5. Adjourn

Pursuant to ORS 192.640, this agenda includes a list of the principal subjects anticipated to be considered at the above referenced meeting; however, the agenda does not limit the ability of the Madras Redevelopment Commission to consider additional subjects. Meetings are subject to cancellation without notice. This meeting is open to the public and interested citizens are invited to attend. This is an open meeting under Oregon Revised Statutes, not a community forum; audience participation is at the discretion of the Madras Redevelopment Commission. **Anyone wishing to address the Commission will need to register prior to the meeting.** The meeting will be audio taped; minutes of this and all public meetings are available for review at the Madras City Hall. The meeting place is handicapped accessible; those needing assistance please contact the City of Madras Community Development two (2) days in advance of the meeting.

DISBURSEMENTS LIST-October 2015

Madras Redevelopment Commission Review and Approval

| <u>Date</u> | <u>Vendor</u> | <u>Description</u> | <u>Amount</u> |
|--------------|-------------------------------------|--|---------------------|
| 9/30/2015 | ECO Northwest | Urban Revitalization Action Plan Update | \$ 11,641.16 |
| 10/2/2015 | Oregon Government Ethics Commission | MRC Government Ethics Assessment FY 2015-16 | \$ 237.66 |
| 10/7/2015 | The Dalles Inn | Royce Embanks Room Reservation | \$ 185.30 |
| 10/7/2015 | The Dalles Inn | Tom Brown Room Reservation | \$ 185.30 |
| 10/8/2015 | The Dalles Inn | Gary Boyd Room Reservation: (Did not attend) | \$ 92.65 |
| 10/15/2015 | Reynoso, Israel | Watering Services: July-September | \$ 1,482.00 |
| 10/16/2015 | Mail Copies and More | D. Reeder Nameplate | \$ 12.65 |
| 10/19/2015 | AORA | Annual MRC Membership Dues | \$ 250.00 |
| Total | | | \$ 14,086.72 |

** Committee Review and approval of checks cut in the previous month**

Report Criteria:

Report type: Summary

Bank.Bank number = 2

| GL Period | Check Issue Date | Check Number | Payee | Description | Check Amount |
|---------------|---------------------|-----------------|-----------------------------|---|------------------|
| 10/15 | 10/15/2015 | 1288 | REYNOSO, ISRAEL dba | Watering Service for July-September | 1,482.00 |
| 10/15 | 10/27/2015 | 1289 | AORA | Annual MRC Membership Dues | 250.00 |
| 10/15 | 10/27/2015 | 1290 | ECO NORTHWEST | Urban Revitalization Action Plan Update | 11,641.16 |
| 10/15 | 10/27/2015 | 1291 | OREGON GOVERNMENT ETHICS CO | MRC Government Ethics Assessment FY 2015- | 237.66 |
| Grand Totals: | | | | | <u>13,610.82</u> |

| Purchase Date | Vendor Name | Item Description | Item GL Combination | Item Total | Receipt Status |
|-----------------------|--|--|---------------------|------------|----------------|
| 1099 reporting | | | | | |
| 10/17/2015 | CITIZEN BAKER | CITIZEN BAKER | 505-505-520-2203- | 15.25 | |
| 10/19/2015 | CITIZEN BAKER - N.Snead Training Meal: OAPA Conf. | | | | |
| 10/15/2015 | TS & S FORD | TS & S FORD | 805-101-520-1403- | 906.94 | |
| 10/19/2015 | TS & S FORD - PO 10733: Bearings for Front End Tk-108 | | | | |
| 10/15/2015 | CITIZEN BAKER | CITIZEN BAKER | 505-505-520-2203- | 15.00 | |
| 10/19/2015 | CITIZEN BAKER, N.Snead Breakfast at OAPA Conf. | | | | |
| 10/15/2015 | PR AND CC | PR AND CC | 505-505-520-2203- | 37.18 | |
| 10/19/2015 | PR AND CC, N.Snead Dinner at OAPA Conf. | | | | |
| 10/15/2015 | American Energy | American Energy | 805-101-520-1004- | 6.00 | |
| 10/19/2015 | Cir K Car Wash Vehicle 1301 | | | | |
| 10/16/2015 | STANDARD GOLF COMPANY | STANDARD GOLF COMPANY | 503-030-520-2810- | 450.00 | |
| 10/19/2015 | STANDARD GOLF COMPANY - Cups and Pins | | | | |
| 10/16/2015 | CITYOFREDMONDAIRPORTPK | CITY OF REDMOND - PO 10026: R. Tombleson: Training Parking | 802-101-520-2203- | 30.00 | |
| 10/19/2015 | OMG NATIONAL MARKETING | OMG NATIONAL - Police Coloring Books and Crayons | 101-106-520-1406- | 499.00 | |
| 10/16/2015 | SQ COVE ELECTRIC, INC. | SQ COVE ELECTRIC - Re-secured and Connected Conduit | 509-090-520-2207- | 150.00 | |
| 10/19/2015 | COVE ELECTRIC - Re-secured and Connected Conduit | | | | |
| 10/16/2015 | MAIL COPIES & MORE LLC | MAIL COPIES & MORE - D. Reeder Nameplate | 701-701-520-2401- | 12.65 | |
| 10/19/2015 | MAIL COPIES & MORE - D. Reeder Nameplate | | | | |
| 10/13/2015 | BEND RIGGING SUPPLY LLC | BEND RIGGING SUPPLY - Bridge and Host | 503-030-520-1403- | 363.15 | |
| 10/19/2015 | BEND RIGGING SUPPLY - Bridge and Host Inspection, Travel | | | | |

| Purchase Date | Vendor Name | Item GL Combination | Receipt Status |
|-----------------------|--|---------------------|-----------------|
| Post Date | Item Description | Item Total | Receipt Comment |
| 1099 reporting | | | |
| 10/09/2015 | CHEVRON 00210224 | 805-101-520-1004- | |
| 10/12/2015 | Cir K Car Wash Schulke 1001 | 6.00 | |
| 10/08/2015 | MAIL COPIES & MORE LLC | 101-106-520-1406- | |
| 10/12/2015 | MAIL COPIES AND MORE - Shipping to Return Signs | 11.56 | |
| 10/09/2015 | CHEVRON 00210224 | 204-040-520-2702- | |
| 10/12/2015 | CHEVRON 00210224 - Propane for Thurnmel | 36.18 | |
| 10/08/2015 | MADRAS MARINE INC | 206-206-520-2702- | |
| 10/12/2015 | MADRAS MARINE INC - Parks Blower | 450.00 | |
| 10/07/2015 | THE DALLES INN | 701-701-520-2203- | |
| 10/12/2015 | THE DALLES INN - T. Brown Hotel for OR Main St. Conf | 185.30 | |
| 10/08/2015 | EDGE ANALYTICAL | 502-020-520-1206- | |
| 10/12/2015 | EDGE ANALYTICAL - PO 10090: Lead & Copper testing | 900.00 | |
| 10/08/2015 | MAIL COPIES & MORE LLC | 101-106-520-2209- | |
| 10/12/2015 | MAIL COPIES AND MORE - Shipping Costs | 13.90 | |
| 10/09/2015 | PETITE PROVENCE OF THE GO | 802-101-520-1223- | |
| 10/12/2015 | PETITE PROVENCE - R.Embanks & T.Brown Training Meal | 30.90 | |
| 10/07/2015 | THE DALLES INN | 701-701-520-2203- | |
| 10/12/2015 | THE DALLES INN -R. Embanks Hotel OR Main St. Conf | 185.30 | |
| 10/08/2015 | THE DALLES INN | 701-701-520-2203- | |
| 10/12/2015 | THE DALLES INN, Gary Boyd Room Reservation | 92.65 | |
| 10/12/2015 | ACTION REGISTRATION INC. | 505-505-520-2203- | |
| 10/13/2015 | ACTION REGISTRATION: R. Dehnert OAPA Conf. Reg. | 375.00 | |

| Purchase Date | Vendor Name | Item Description | Item GL Combination | Item Total | Receipt Status | Receipt Comment |
|----------------|-------------------------|---|---------------------|------------|----------------|-----------------|
| 1099 reporting | | | | | | |
| 09/29/2015 | RIP Q SIGNS & GRAPHICS | RIP Q SIGNS & GRAPHICS - Sign Stickers | 206-206-520-2702- | 10.00 | | |
| 09/29/2015 | BENDBROADBAND BEND, OR | BENDBROADBAND - Airport: Sept-Oct Services | 509-090-520-3003- | 91.90 | | |
| 10/01/2015 | AWWA.ORG | AWWA.ORG - Training Materials for Water Distribution | 803-101-520-2203- | 441.50 | | |
| 10/01/2015 | COP SHOP | COP SHOP - Name Badges: Domhoff, Shely, Slyter | 101-106-520-3001- | 52.50 | | |
| 09/30/2015 | FORESTRY SUPPLIERS | FORESTRY SUP - PO 10499: Measuring Device J. Hurd Tk 84 | 805-101-520-1406- | 764.64 | | |
| 10/01/2015 | PHILS HARDWARE | PHILS HARDWARE - Traction Paint Floor | 204-040-520-2702- | 38.97 | | |
| 09/29/2015 | PHILS HARDWARE | PHILS HARDWARE - Floor Cleaner for Paint | 204-040-520-2702- | 8.99 | | |
| 09/29/2015 | American Energy | CIRCLE K - Car Wash Vehicle 802 | 805-101-520-1004- | 6.00 | | |
| 09/29/2015 | PHILS HARDWARE | PHILS HARDWARE - Concrete, Shelf Bkkt, Drill Bit, Masking Tape, Plastic Tray Liners | 204-040-520-2702- | 205.74 | | |
| 09/29/2015 | MADRAS GARDEN DEPOT | MADRAS GARDEN DEPOT - PO 10559: Downtown Evergreens | 702-702-520-1302- | 1,125.40 | | |
| 09/29/2015 | UMPQUA RESEARCH COMPANY | UMPQUA - MTF- P/A | 502-020-520-1206- | 192.00 | | |

City of Madras
Madras Redevelopment Commission
Special Meeting Minutes
October 21, 2015

I. Call to Order

The Madras Redevelopment Commission meeting was called to order by Chair, Doug Lofting at 5:30 p.m. on Wednesday October 21, 2015 in the Madras City Council Chambers.

Members in Attendance:

Chair Doug Lofting
Commissioner Don Reeder
Commissioner Blanca Reynoso
Commissioner Royce Embanks
Commissioner Tom Brown
Commissioner Doeshia Jacobs

Members Absent Were:

There are two membership vacancies

Staff Members in Attendance:

Gus Burrell, City Administrator
Nicholas Snead, Community Development Director
Brandie McNamee, Finance Director
Michele Quinn, Community Development Administrative Assistant

II. Consent Agenda

A. Adoption of Agenda

B. Approval of Minutes

1. September 2, 2015 MRC Meeting Minutes

Community Development Director Nicholas Snead asked to have blight removal added to the end of the agenda.

A MOTION WAS MADE BY VICE CHAIR CHUCK SCHMIDT TO APPROVE THE CONSENT AGENDA AS AMMENDED. THE MOTION WAS SECONDED BY COMMISSIONER DON REEDER AND PASSED UNANMOUSLY.

III. Visitor Comments

No Visitors Present

IV. Discussion of Challenges Preparing MRC Meeting Minutes

Community Development Director Nicholas Snead Chair and Commission staff wanted to put this on the agenda as a friendly reminder. Over the last couple months we have had some challenges preparing your minutes. When your microphone is not on our audio system doesn't record it, and it is difficult to transcribe and include all of your comments into the minutes. This evening if you are going to speak please have the microphone on in front of you and we would appreciate that.

Chair Doug Lofting just something to add to that from my perspective is we can make it easier for Michele by staying on point, and discussing other items at the end. I think that would make it much easier for the meeting minutes also.

V. Ratification of Madras Garden Depot Invoice for Replacement of Winter Plants

Community Development Director Nicholas Snead thank you Chair Lofting staff wasn't able to get the invoice from Madras Garden Depot into the vouchers for this meeting. In order to purchase replacement winter greens for the flower pots in the downtown area, staff needed to purchase them in advance and have this expense ratified by the Commission, meaning we are asking for your consent on an expense that has already been made. I reported at your September meeting that most of the evergreen plants did not survive the hard freeze that we had last November. Jon Burchell and the Public Works Department worked with Madras Garden Depot to replace those plants at a cost of \$1,125.40. Accordingly Staff would request that the Madras Redevelopment Commission take formal action to authorize that expense.

Commissioner Chuck Schmidt the new plants that you purchased are we looking at a different species of evergreen to put in those pots?

Community Development Director Nicholas Snead there was two factors that led to those plants not surviving. One of which was the hard freeze that we experienced, and the fact that they were in small, two quart inserts from the nursery. So the roots and the actual mass of the plant was subjected to hard freeze in November. There wasn't adequate watering last winter so that was also a contributing factor. Jon Burchell and his team this year have taken the five gallon inserts that the petunias were in, and have replanted the winter evergreens into those. So they have a large area for the roots to grow in and hopefully provide a little more insulation for the plant to survive the winter. To be honest with you I don't know that these plants are any more resilient to the winter than any other.

Chair Doug Lofting Nicholas I think everyone had to be so happy with the summer look. Those flowers were just amazing when they are overflowing onto the side walk. What a great look we had all summer.

A MOTION WAS MADE BY VICE CHAIR TOM BROWN TO APPROVE THE RATIFICATION OF THE MADRAS GARDEN DEPOT INVOICE FOR REPLACEMENT WINTER GREENS. THE MOTION WAS SECONDED BY COMMISSIONER DON REEDER AND PASSED UNANIMOUSLY.

VI. Facade Improvement Program Update

Community Development Director Nicholas Snead we wanted to report back to the

Commission on our current loans that the MRC has out. First of all I wanted to thank Finance Director Brandie McNamee for preparing this report. This is a very short and positive report in that that all of your borrowers are current and really there is nothing else to report but to make you aware of that.

Chair Doug Lofting is there any comments or concerns regarding our loan paybacks? As there are none let's move to item seven our Urban Revitalization Action Plan Project Update. We have a video conference tonight and we welcome both of you for being on this conference with us.

VII. Urban Revitalization Action Plan Project Update

Community Development Director Nicholas Snead so we have on the video conference with us this evening Lorelei Juntunen and Nick Popenuk from EcoNorthwest. These are just two of the EcoNorthwest team members, as you can see; there are other team members listed on the agenda that are not here this evening. The intent of this update is to brief the Commission on the progress of this project because we have such an aggressive time line. We want to keep you abreast as this project progresses in particular we have really important set of few days coming up November 2nd, 3rd and 4th when the consultant team will be in town to conduct local interviews. We would like to brief you this evening on current activities and answer any questions you may have.

Lorelei Juntunen hello, I am Lorelei Juntunen with EcoNorthwest I am a partner here and also the lead for the planning and development practice, and Nick Popenuk is joining me he is the lead financial analyst. We both have a portion of this presentation to do. I also want to make sure you are aware of some of the other team members that bring excellent skill sets to this project. We are working with Elaine Howard who is an Urban Renewal expert who has done many of the Urban Renewal plans around the state. On this project she will be working on the public engagement components. We have also got Walker Macy and Ken Pirie who is doing most of the work on this project from that organization. They are landscape architects and they were the lead consultant on the 2006 plan update. This team is really excited to get to work in Madras and to get to influence the outcome of spending with your Urban Renewal dollars. It is kind of a pivotal point in the life of the Urban Renewal district. Where you have the opportunity to start to think about what the future looks like.

As Nick noted we do have a very fast time line so I will be running you through that. I also want to give you a reminder on where we have been in the 2006 revitalization plan. Then we also have some discussion that Nicholas will lead regarding some additional financial analysis and the scope of that work. So this will be a little challenging for me since I cannot see the PowerPoint you have on the screen. This is a presentation that Ken Pirie put together and gave to the Advisory Committee when we were out there earlier in September. We had a fantastic meeting with the Advisory Committee and got some really good feedback on public engagement. So I am going to run through a little bit of back ground on where we have been. The Urban Renewal Plan was adopted in 2002 in 2005 and 2006 you undertook a pretty extensive Action Planning process. To identify a specific set of projects and an urban design frame work under which this plan would advance. That Action Plan set a pretty high bar; the Walker Macy team did a really great job. They did a very

extensive existing conditions overview. It really emphasized all the excellent development potential in the City of Madras and the proximity to excellent outdoor activities, and tourism, quality of schools as being strong assets to be built upon. As we get into this Action Plan update process we will be updating the existing conditions, but a lot of those fundamental aspects haven't changed. In the 2006 Action Plan process they did some very innovated and non-traditional approaches to outreach. As we get into this we want to make sure we are connecting with schools, and hosting open houses and really make sure we are connecting with the broad range of stakeholders in the community. Public input is going to be a very important part of prioritizing projects for investment going forward. We are in the process of updating the 2006 existing land use analysis right now. The point being that this Plan has had from the beginning a real focus on development as an outcome. The existing conditions analysis from 2006 helped to identify where there were some vacant parcels or redevelopable parcels that had opportunity.

We will be taking another close look at that as we go forward with this update process. I will say that you all have had remarkable success in accomplishing many of the actions identified here. Which is a big part of the reason that we are here right now you have had a lot of successes. Now it is time to start to think about what comes next. This is the list of recommendations and in addition to all of these actions there were a handful of other actions that the MRC and the City moved forward on. This included the Inn at Cross Keys and Cinema 5 all of which have together created a really strong foundation for development in your urban renewal area and downtown. The new civic core where you are sitting right now in the new City Hall building, and looking at some of the other development that has happened. A lot has been accomplished in the urban renewal area so far and now we are at a point where we get to pivot and think about what the next set of projects will be.

We are aware of the many development constraints and the floodway, in particular, the challenges that creates for redevelopment, and we will be paying attention to that as we move forward. This is moving very quickly and we have already made a significant amount of progress in terms of our own analysis of some of the opportunities for projects. The final two slides that Nicholas is showing you are the list of projects our status report on them and then a brief description of what those projects might be. I would like to now take you to the last two pages in your packet which have on them a couple of different ways of showing the timeline. Are fundamental challenge here is building from the foundation of work that was done in the 2006 Action Plan, and identifying some of the projects from that plan that where not completed. Also adding to that a lot of public involvement public engagement some ideas from stakeholders and a fair amount of technical analysis. To then identify the next set of projects that the urban renewal area will undertake given the financial constraints that the district has.

The process that we are proposing to do that is highlighted in the last two pages in your packet. They show that in September we have spent some time gathering input on priorities and that is in fact what we have been doing. We have completed a draft of progress report that shows that gives a snap shot of the current urban renewal finical status and identifies projects from the 2006 progress report that have not been completed and should be considered going into this process. We are a good portion of the way through with completing a retail needs analysis which is really looking at attempting to identify what is the role for downtown businesses. Looking

at what gaps might be there and where there might be opportunities for new retail development. We are completing a retail leakage analysis which is looking at spending patterns in the community. To identify where people might be buying goods and services outside of Madras that might instead be captured in new businesses downtown. We are also under taking a set of stake holder outreach via phone. In September and October and we have also received a set input from the Advisory Committee. What is happening with all of that is it is coming together in November. By the time you see us again in November we will have all of that input work done and we are going to come and spend three days of intensive activity in the City. We are going to be doing a series of stakeholder interviews and small group conversations. We will be holding an open house and we will be coming back to you in another round and be able to talk about here is the list of projects. Here is what we are seeing coming to the top given our understanding of the final goals of the district. One of the reasons we wanted to take this opportunity to talk with you tonight is to get you keyed up for that. So that you come to that meeting ready and excited to participate we will need your input.

From there we will take all of that and draft the actual plan document and we will bring a draft in December, and should be ready for adoption in January. That is a very speedy timeline but one that we think we can accomplish given the willingness that we have already heard from stakeholders and yourselves. So that is an overview of the process as we are seeing it.

Chair Doug Lofting Lorelei are you going to reach out to the public via the local newspaper asking them to attend and for their input?

Lorelei Juntunen yes, maybe Nicholas you want to talk a little bit more on all of the ways we are reaching out to advertise the open house.

Community Development Director Nicholas Snead yes I would be happy to do that. Last week another one of the other EcoNorthwest team members and I had a teleconference with Holly Gill at the Madras Pioneer newspaper. We talked about the project I believe there is a story in The Pioneer today about it we have provided information to her about that. The other thing that I put out in front of you is the postcard. We had extras made for people to hand out. We mailed the postcards for the open house to two different groups of people. All of the property owners within the urban renewal district, and then we sent one to the current resident or current business within the district. So everyone in the district has received a postcard in the mail. I have also handed five out to each of you as a challenge if you could hand those out to your friends. It will be a nice event we will have some good snacks. So that is the strategy and really it evolves from the idea that public involvement was a very strong element of our original plan and it needs to be from staff's perspective moving forward for the new plan. We want to ground this Plan in the support of the community. We want their ideas to put into the Plan, and have you review and except the prioritization of projects and provisions of the Plan.

Lorelei Juntunen we are having fun developing the activities for the open house and getting the boards ready. I expect there should be some really good opportunities for engagement. We are planning on focusing on identifying retail needs that may not be met in Madras, and making sure we get people's ideas on that. One of the more

important parts of this process is really making sure that were putting forward a financially smart plan. That is one that can be implemented with the resources that are available. I am going to have Nicholas Popenuk talk about a scope amendment that lets us really dig into that in more detail. I will start by saying we have had a couple of conversations with your finance director and have a good snap shot understanding of where the district is right now financially. Based on those conversations are very much focused on getting a better handle on what the future revenue growth might look like. So we can make sure that we are tying that back to reasonable bonding capacity and all of that pointing in the direction of identifying a set of projects. That is new development that will be generating new revenue for the district. Really focusing on how new development can be catalyzed in a way that creates a more vibrant urban environment in the downtown.

VIII. Authorization of Amendments to Scope of Work and Budget for the Urban Revitalization Action Plan Update

Nicholas Popenuk my name is Nicholas Popenuk. I am with EcoNorthwest and I am the financial analysis over here that does most of our urban renewal finance work. The original scope of work that we had for this project I had a minimal role that was envisioned. The idea was that we could probably just take the existing tax increment finance (TIF) revenue forecast that you already have and use those. For determining what kind of projects are the right investments for the community. Although in that original scope of work we did assume that we would be looking at individual projects. If you invested in this kind of development what kind of tax revenue would that generate? How could that change the overall trend line so there was still that envisioned from the beginning. As part of the background reconnaissance of the documents, and getting our feet on the ground we were provided some spread sheets that showed the existing TIF revenue projections. How they compared historical numbers to the original projections in the plan. The original plan being done in the early 2000's during a very different economic time. Coupled with the decreasing property tax rate in the past several years, led to a pretty big divide between what was originally forecast in the plan and the types of revenues being received.

We had a couple of conversations with the Finance Director about this to make sure we understood the dynamics that were going on there. The conclusion of that was that it would be beneficial if we started from scratch and did a new TIF revenue forecast. That is the amendment that we have in front of you today. Part of what we are going to be doing through this forecast is a little bit more detailed forecast then a lot of jurisdictions would typically do. So if your jurisdiction and urban renewal area is generating significant increment growing by leaps and bounds every year. It is easy to just take your total lump sum of the value, pick a growth rate per year and apply that forward and the arithmetic is simple. If you are in an urban renewal area where the property values have been shown to grow at less than 3% per year that implies that for a number of properties in the area their real market values have fallen below their maximum assessed value. When that happens is that you can't really depend on the straight line formulaic growth that we see in so much of the state. Instead your property values are likely to be more volatile going up and down with the changes in the real estate market. So that is the situation and we haven't dug into the numbers deeply, but in our preliminary analysis that appears to be the situation we are finding here. So for that reason we are recommending a more detailed look at the finances here that includes doing a parcel specific forecast of the tax revenue.

So we are working with the Tax Assessor to get all of the most updated assessment information on every piece of property that is in the area. We will have an excel model that tracks their real market value and assessed value going forward. So we have a much better handle on what type of growth and assessed value we are likely to see in the area. At the same time as that we will also be verifying the tax rates going forward we think that the declines in tax rates have finished by now. That we have reached a stabilized tax rate level but we are going to double check that. We will do another couple diagnostic looks that we can do when we are forecasting tax revenues. To see how stable the areas revenue projections are going to be. So that is a major piece of the work that we are going to be doing if this amendment is approved.

Finance Director Brandie McNamee so when I first met with Lorelei and I went over what this project was going to entail. She informed me that generally what was done in the previous urban update was not in the scope of work for this update. If we are going to expand or go out for additional financing they are going to want a solid forecast. Any lending institution is going to want something that is three to five years off solid data. I don't have the resources or the expertise as these individuals do, and I feel a lot more comfortable getting a solid core of forecasted financials. So we can make better decisions it's not that we aren't making good decisions now. We are getting slim on our budget every decision from this point forward needs to be a valuable decision that adds back into the district.

Community Development Director Nicholas Snead so this is a tool to enable the Commission to make wise financial decisions. From a staffs perspective the current authorized budget and scope of work is \$ 80,000 dollars. They are requesting and additional \$8,000 dollars for this work in your current fiscal budget we have \$ 89,500.00 budgeted. So we do have a very slim amount of money remaining in your budget for the project with contingency. I have discussed this with Emily and Lorelei we just can't afford any more surprises going forward. On the other hand this is something that is really important. We are a financial entity are primary task is to invest within the district. So this amendment will allow you to have the tools and data to make decisions in the future.

Commissioner Tom Brown so yes this really needs done how can you decide what to do when you don't know what you have to do it with. One of the things I have not heard mentioned is compression in the taxing and that is something that wasn't addressed properly in the beginning. It created some financial surprises for us and it is something we want to make sure is brought into this forecast.

Nicholas Popenuk having done a number of compression forecasts in the past you are right it is very complicated. The only real good way to do it is with a parcel specific forecast, because compression doesn't happen evenly across the board. Where individual properties where the real market value and the assessed value are in sync with each other. The model that we are building that is going to be this parcel specific model we will have the ability to look at compression. The forecast that we will do related to compression will be fairly limited because there has been only one client that I have had in the past who has wanted to invest in a detailed compression forecasting model. With just the fact that we are moving to a parcel specific model allows us to at least calculate compression in this coming year and rolling that forward each year. Assuming that we have decent estimates of real market value growth going forward we can continue to forecast compression that way.

Lorelei Juntunen the other big reason that we thought a parcel specific approach might make sense is that it allows us to model how investments in projects on specific parcels might affect your revenue projection. We will be able to look at that within the overall picture of the finances for the whole urban renewal area.

Nicholas Popenuk the budget amendment that we have put before you is not to just build a model and then wipe our hands clean and walk away. We did include some bullet points in the scope of work here where we would be working with your staff to analyze different scenarios. To say what if we wanted to borrow money under these terms and under these conditions. Or what if we wanted to pay down this debt sooner or take out this line of credit. So we are on board to do these types of scenarios evaluations based on what type of development might happen, what type of projects you might want to invest in, and what type of financial decisions you want to make that happen.

Commissioner Royce Embanks at what point is the remapping of the flood plain and flood zone supposed to take place? Is that going to be in the lifetime of building this plan or is going to happen after this plan is completed.

Community Development Director Nicholas Snead I had a meeting last week with the Army Corps of Engineers we talked about when the data collection would start and the analysis would occur. We have scheduled a site visit with the Army Corps of Engineers staff in early November. We are in the process of planning a public open house in December to invite the community to come and learn about the project. The data collection will happen in December, January, February and March. So this project will be completed in January 2016 and that project will have started but will not be complete.

Commissioner Royce Embanks in addition is the new county building figured into this plan?

Community Development Director Nicholas Snead yes it will be they are going to fly LIDAR for the entire reach of Willow Creek and I believe go all the way up to the dam. They are going to have a comprehensive mapping of the flood plain and the old city hall property and existing County Annex and old Court House will be analyzed in that.

Chair Doug Lofting Nicholas is this something that the City has to fund any part of?

Community Development Director Nicholas Snead the initial part there is no expense to the City we have obtained a grant from the Army Corps of Engineers for this project. The Army Corps of Engineer has asked the City that we facilitate all the local meetings. That is being funded through the annual budgeting process. There may be some additional expenses towards the end of the project for submitting and coordination with the City Engineer.

Commissioner Doeshia Jacobs have you worked with other cities that are in the same situation that we are in? Where we don't have a real good financial base low income I guess.

Nicholas Popenuk yes we have been doing urban renewal work for almost a decade and during that time we have worked with roughly three maybe four dozen jurisdictions across Oregon. It really is a diverse bunch some of them have urban renewal areas that are going like gang busters and generating percent growth and assessed value that are measured in tens or hundreds of percent growth per year, and others have struggled. A lot of it is the timing of the market and the economy and when they created the area. I will say that urban renewal plans that were created in the early to mid-2000's they had a double whammy. The forecast that they were based on was done during the rosier picture of the economy. Then when the economy went down it took them a long time to recover. What we are seeing here is not unique every area that I have worked including the ones that were struggling. They have all found a solid path forward.

Lorelei Juntunen your question may have been also about understanding the dynamics of real estate development in smaller communities. That maybe has a demographic that hasn't been attracting a lot of development. That is where urban renewal is really a pretty powerful tool is in that situation. You can use those revenues to help catalyze new development if you are doing it in ways that are really smart. One thing I will say about Madras is with all the investments that you have made in the urban renewal area in the transportation systems and the amenities you have a strong foundation. Now the idea is more around how do we capitalize on those investments to really drive new development into the area.

Chair Doug Lofting Commissioners is there any questions or concerns?

A MOTION WAS MADE BY VICE COMMISSIONER TOM BROWN TO AUTHORIZE THE AMENDMENTS TO THE SCOPE OF WORK AND BUDGET FOR THE URBAN REVITALIZATION ACTION PLAN UPDATE. THE MOTION WAS SECONDED BY COMMISSIONER BLANCA REYNOSO AND PASSED UNANIMOUSLY.

IX. Blight Removal

Community Development Director Nicholas Snead at our May and June meeting staff and the Commission had some extensive discussion about addressing some of the derelict buildings. Chair Lofting that we unfortunately had one of our community members lose their life in one of the properties. That property needs to be addressed in some shape or form that wasn't ok as a community. We want to have safe conditions for our community and then also as an agency our primary task is to revitalize the downtown. I have been working with one of the property owners his name is Mr. David Potter he owns the property where the resident lost his life. I have been working with him in a cooperative manner about partnering with the Urban Renewal District to address the blighted conditions on his property. Tonight I would like to report that he is interested in cooperatively working with MRC. He has reported to me that he is upside down on the property he has few resources himself but understands the risk he has as a property owner and the impact that his property has on our community. He is requesting some assistance in the form of a grant to help remove the buildings from his property.

This evening what I would like from the Commission, should you find it acceptable, to authorize staff to move forward with Mr. Potter and better identify what form of

assistance he needs. I will bring this back to you at your November or December meeting with a proposal for you to consider on how to partner with this property owner to address this condition. That is briefly my report and I will leave it there for discussion.

Chair Doug Lofting one thing that Nicholas didn't mention is that this property is to the west of McDonalds. That is the subject property here my feelings toward this that the MRC needs to look closely at this. As far as granting some funds for this I am totally in favor of it. Whether it is a partial grant and putting a lien on the property to get some of the money back to us is what I would be in favor of.

Commissioner Chuck Schmidt I would be in favor of burn to learn and then there would be some type of cleanup cost.

Commissioner Tom Brown I did a lot of work on the burn to learn on that when we thought it belonged to ODOT. The fire department was set up to work on that then we found out it didn't belong to ODOT it belonged to a private party. If we find out a way to work with them so they were doing it for the MRC rather than a private party. One of the problems may be with the damage that is already done to the building would there be enough left to learn?

Community Development Director Nicholas Snead in the coming weeks staff would like to work with the Fire Chief and his staff to understand what opportunities and any limitations there may be. The property owner has completed an environmental assessment and understands that there is a very limited amount of asbestos in there. Informally we have talked about maybe the Commission could provide the assistance to properly remove the asbestos so the fire department could participate in the learn to burn.

Chair Doug Lofting so Commissioners informal action here are we in agreement that we could assist Mr. Potter in this project?

The Commission was in agreement.

Commissioner Blanca Reynoso I think it is a good idea.

Commissioner Doeshia Jacobs if it is able to be burnt down then we are also going to have the dump trucks come in and remove the garbage. Then will the property owner keep the property or will it come back to the MRC?

Community Development Director Nicholas Snead he currently owns it and would retain it unless it is sold. The concept that is being discussed right now would be that a portion of the grant funding would be liened on the property. So that when it sold you would get some of your funds back.

The Commission discussed the possibility of obtaining the property and what could be done with it. The Commission also discussed the how big the property and the fact that having the house removed would make it more attractive to a buyer.

Chair Doug Lofting I see this working for us by coming out and giving us a basic first step heading to other properties that are in similar situations. This is done as a 50/50

DATE: October 27, 2015
TO: Nick Snead, City of Madras
FROM: Lorelei Juntunen and Emily Picha
SUBJECT: MADRAS URBAN RENEWAL PROGRESS REPORT - **DRAFT**

In 2002, Madras' Urban Renewal Agency (the Agency) adopted *the Madras Urban Renewal Plan*. Broadly, the purpose of the plan is to improve the environment for development in the Urban Renewal Area (URA) boundary. As a follow-up in 2006, the Agency adopted an implementation plan (the *Urban Revitalization Action Plan*) that identified specific projects (investments in street improvements, parks, support for development projects, etc.) that would meet the goals of the Plan. Since then, significant progress has been made toward implementing the projects identified in the 2006 Action Plan.

The Agency is now undertaking an updated look at implementation in the Urban Renewal Area (URA), to prioritize remaining projects and consider new projects that can be taken to achieve the original plan's vision and goals, given the resources available. ECONorthwest is the consultant lead (together with team members Walker Macy and Elaine Howard, LLC) on the update process.

This memorandum provides one foundational input to that update. It has four sections:

- **Project progress** documents the City's progress in implementing revitalization projects identified in the 2006 Action Plan.
- **URA financial snapshot** establishes baseline financial conditions within the URA, and provides an update on the Agency's financial commitments.
- **Evaluation of incomplete projects** identifies the projects that have not yet been completed, and evaluates them against a preliminary set of criteria for prioritization.
- **Implications** describes how the findings from the Progress Report should influence the updated action plan outcomes and process.

The 2002 Urban Renewal Plan has the following goals (summarized):

1. Promote private development, redevelopment, and rehabilitation within the urban renewal area.
 2. Upgrade the stock of existing structures in the renewal area which contribute to its small town character.
 3. Improve connectivity within the renewal area, improve and enhance open spaces, and enhance livability.
 4. Improve and repair utilities to support development.
 5. Develop convenient, attractive parking facilities.
 6. Maintain, remodel, and construct public parks and open spaces, public facilities, and public safety facilities.
 7. Provide for new, diverse housing units in livable mixed-income neighborhoods, and that support the Area's employment generation goals.
 8. Assist in funding for a program of art in public spaces within the renewal area
-

Project Progress

The City of Madras asked ECONorthwest to assess the agency's progress toward the projects outlined in the 2006 Action Plan. **Exhibit 1** shows the current status of projects identified in the Action Plan as of October 2015.

Exhibit 1. 2006 Action Plan Short-Term Projects Status (October 2015)

| Project | 2006 Action Plan Project Description (summarized) | Status (2015) |
|---|--|--|
| Completed | | |
| C. Remove derelict signs / improve new signs | Mandate removal of old commercial signs from vacant properties. Consider preparing a new code that provides clear guidelines to control scale of signs downtown. | Sign Code updated. Some pole signs removed. Subsequent amendments to Sign Code eased requirement to remove pole signs, therefore some remain. |
| G. Clarify/modify regulations | Include sufficient provisions in the zoning code to ensure high-quality commercial and mixed-use development downtown, accompanied by corresponding improvements in code interpretation and enforcement. | Zoning Ordinance (i.e. development regulations) amended in 2007 to include design standards. |
| H. Build new public recreation facilities | Community amenities that will help attract new residents and support local business: swimming pool and recreation center. | Aquatic Center built in 2008; some people considered a cinema as part of this and it was built with MRC help (Cinema 5). New high school has better recreation facilities. |
| 3.3 Create a well-landscaped gateway at North Y | ODOT plans reconstruct the intersection of Highways 26 and 97 at the north end of Madras. Use available land to create a gateway that includes welcome signage and public art. Extend Willow Creek Trail through the intersection. | Completed. |
| 3.5 Sahalee Park Expansion | Vacate 8th Street to expand park for gathering area, with a possible "great lawn" for concerts and performances. | Completed. |
| Partially Completed | | |
| A. Improve storefronts | Initiate façade improvement program that offers grants and loans to businesses that wish to upgrade their facilities and attract new customers. | The City has helped to fund 8 facade improvement projects completed and one is in process. |
| 3.4. Streetscape improvements focused on East-West end streets | Urban redevelopment efforts on B, C, and D streets: Narrow streets bordering Willow Creek to add park space, add curb extensions, street trees, sidewalks, drainage swales. Narrow some streets by adding a plant strip. | Yes, partially completed through several projects: North Y Landscaping Project, US Highway 97 Transportation Enhancement Project, MRC Sidewalk Grant Program. |
| 3.6 Redevelopment Concept with New Civic Center | Focus civic uses on two blocks south of D street and west of southbound US 26/97, out of the floodplain. The concept could also include commercial development and a hotel. | Partially completed. Madras Police Station/City Hall complete. Jefferson County Courthouse under construction. Marty Goodson Building renovations to occur in 2016. |
| F. US 26/97 Street improvements | Widen sidewalks along US 26/97, promote attractive streets with trees and furnishing, and install curb extensions along couplet where missing. | The City completed improvements at Taco Bell, Madras Professional Center, Madras Bowl, Police Station/City Hall, US Hwy 97/J Street project, US Hwy 97 Transportation Enhancement project, and Sidewalk Grant program. |
| E. Enforce speed limits | Initiate a petition to ODOT to reduce the speed limit through downtown by 5-10 mph. Install a signal between the existing signal at 5th and D and the southern beginning of the downtown couplet. | Police Department continues to enforce traffic laws. Pedestrian crossing enforcement occurs semi-annually. |
| Not completed | | |
| B. Create a "stopping place" for travelers | Landscaped parking lot for RVs and other tourist vehicles, perhaps with a source of "Opal Springs" water and a new park nearby. Should include restrooms and tourist information. Built on vacant land or parking lot currently in the Willow Creek overflow floodway. | Sahalee Park functions as a stopping place for many travelers, but it has not been formally designated as such. |
| D. "Temporary Landscapes" for vacant lots | Tidy and grade, add topsoil, and seed vacant lots with wildflowers. Use hedges/landscaping to define the lot and improve the pedestrian zone. | Not completed. |

The 2006 Action Plan also identified a number of long-term projects that likely had larger barriers to overcome. Over the past ten years, many of these projects were completed, as shown in Exhibit 2.

Exhibit 2. 2006 Action Plan Long-Term Projects Status (October 2015)

| Project | 2006 Action Plan Project Description (summarized) | C | P C | N C | Status (2015) |
|---|---|---|--------|--------|--|
| LT1. Suggested Zoning and Development Code Changes | Make zoning code revisions included in Comprehensive Plan: stronger landscaping requirements, architectural review guidelines, prohibit large parking lots between the building and street, reduce parking requirements for residential units, revise roadway and sidewalk standards, and require large new developments to include public amenities. | | | | The City amended the Zoning Ordinance (i.e. development regulations) in 2007 to include design standards. |
| LT2. Encourage housing development/ jobs-housing balance | Allow and encourage middle-higher income housing to the east and west of Madras. Ensure that there is high quality development on property, and coordinate development plans with adjacent landowners, while ensuring that state and local land use laws are satisfied. | | | | There are 16 homes in the Yarrow master planned community. It remains largely undeveloped although most new homes in Madras are being constructed in this subdivision. In 2015, the Bean Foundation purchased the remaining land: 49 developed lots and 20 acres of bare land remaining in the master-planned community. The area has the capacity for 1,300 or more residential lots once the land is prepared and brought into City limits. ¹ |
| LT3. Market the City of Madras and area attractions more effectively | Create more robust event calendar for summer months | | | | Saturday Market is held from Memorial Day to Labor Day. The Chamber of Commerce has pursued large events such as Cycle Oregon and the 2017 Solar Eclipse. However, no new reoccurring events have started. |
| | Better market airport and industrial park | | | | Tillamook Air Museum, which is now called the Erickson Aircraft Collection, has moved to Madras. City has renovated the Madras Industrial Park sign on Hwy 26. The City has allowed the Erickson Aircraft Collection to use the south facing side of the City billboard, which notes the location of the Museum and municipal golf course (Desert Peaks). |
| | Increase Chamber of Commerce funding | | | | The Madras City Council increased funding to the Chamber of Commerce in FY 2015-16 for the first time. |
| | Work with Central Oregon tourism organizations to be included in future marketing of Bend and Redmond | | | | Inn at the Cross Keys Station Hotel is a major success! It supports tourism in and around Madras with the meeting space for which the MRC provided funding. Pending further conversations with Chamber. |
| | Work with State Parks, County and National Grassland to improve recreation sites | | | | Pending further conversations with Chamber. |
| | Promote Opal Springs water | | | | The City provides Earth2O water at public meetings. The Airshow of the Cascades exclusively sells Earth2O water at the Airshow each year. https://earth2o.com/ |

¹Development gets back on track at Yarrow. <http://www.pamplinmedia.com/msp/129-news/157569-development-gets-back-on-track-at-yarrow>

| Project | 2006 Action Plan Project Description (summarized) | C | P C | N C | Status (2015) |
|--|---|---|--------|--------|---|
| | Improve wayfinding signage | | | | ODOT installed signage per City request for the Madras Aquatic Center, Central Oregon Community College Campus, and the Jefferson County Library. The City has allowed the Erickson Aircraft Collection to use the south facing side of the City billboard which notes the location of the Museum and municipal golf course (Desert Peaks). |
| | Create a "fun" community cleanup | | | | The Friends of Willow Creek organize an annual cleanup of Willow Creek to remove trash and other debris. |
| | Build stand-alone tourist information center in downtown Madras | | | | Not completed |
| LT4. Rezone or downzone commercial property | Develop a commercial zoning strategy that determines the feasibility of downzoning/rezoning underdeveloped commercial property; | | | | City only had one commercial zoning district. In 2007, the C-2 and C-3 zoning districts were created in conjunction with the design standards for commercial development. |
| | Include a study of the implications of an eventual bypass around downtown Madras; | | | | Not completed, however the City received a set of initial alignments in a 2006 Kittelson Associates memo ² and is currently updating its Transportation System Plan. |
| | Begin outlining key properties for acquisition by the city or ODOT. | | | | Not completed. |
| LT5. A Vision for the Willow Creek Floodway | Expand upon the rough concept study completed as part of the original urban renewal study; Determine if re-greening of the City would successful mitigate future floods and re-orient the City to this new natural amenity. | | | | The "greenway" concept has not been further developed. The City has upsized the 9th Street culvert/bridge for Willow Creek. City & Army Corps of Engineers will begin remapping Floodplain and Floodway in Fall 2015. |

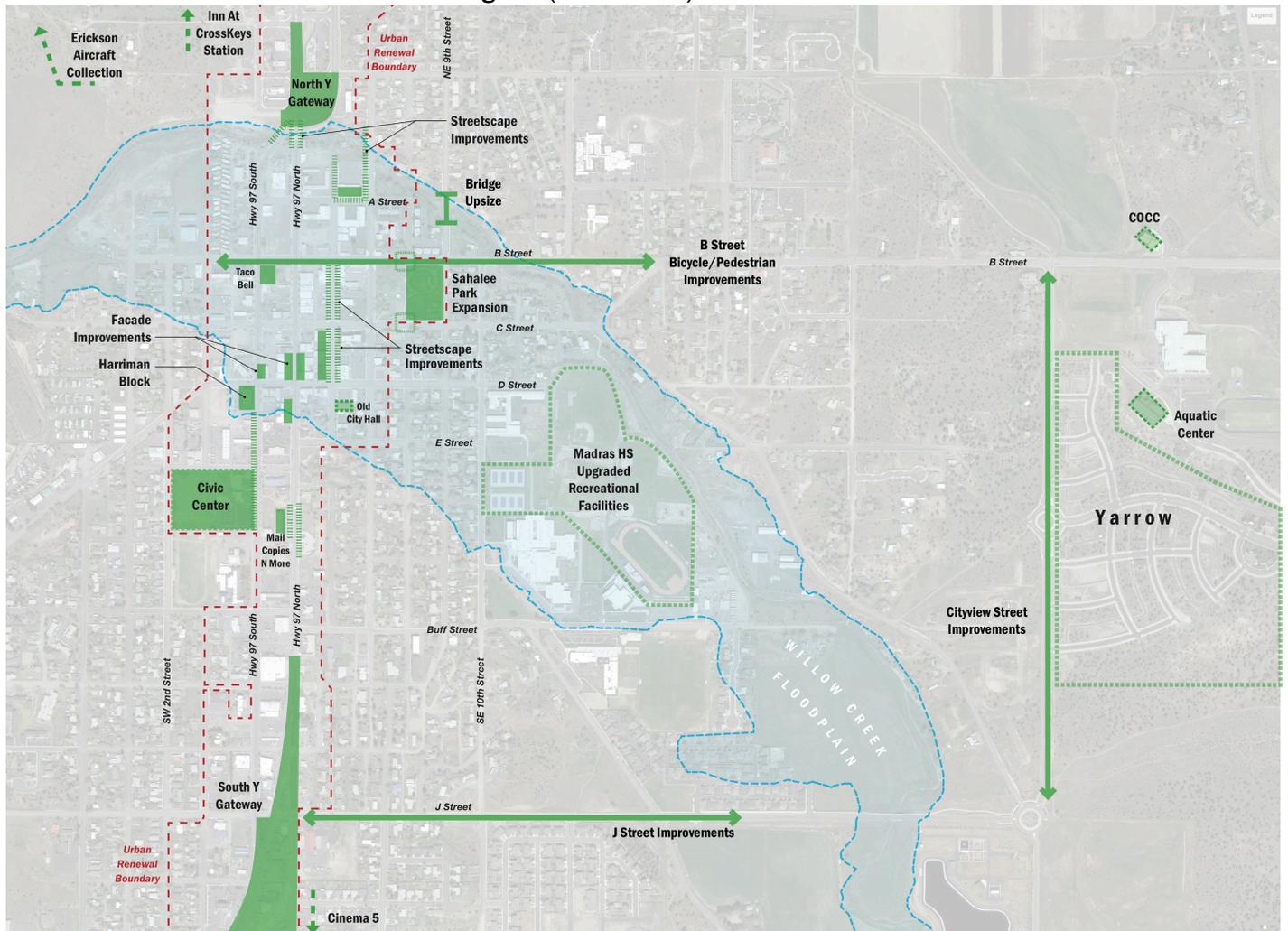
Note: C (Complete), PC (Partially Complete), and NC (Not Complete).

Exhibit 3 shows completed projects within and outside of the Madras URA.

² City of Madras TSP Refinement Plans and Amendments. October 2006.

http://www.oregon.gov/ODOT/HWY/REGION4/us97_madras_south_y/madras_refinement_plans_and_amendments.pdf

Exhibit 3. Madras Urban Renewal Plan Progress (2006-2015)

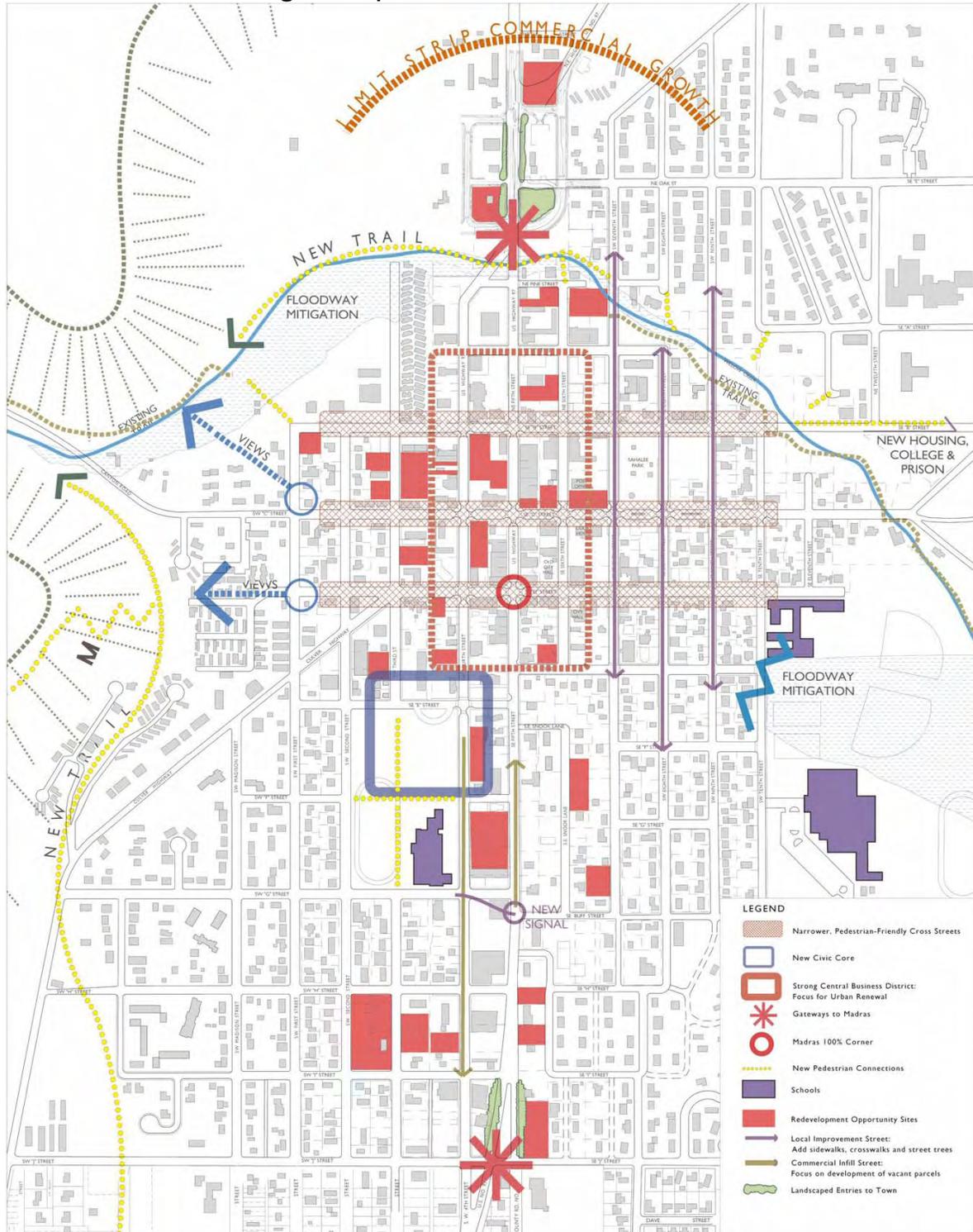


Source: City of Madras and Walker Macy

Overall, the Agency has made significant progress in a relatively short amount of time in implementing these projects and investing in the URA. More specifically, this progress report finds:

- **The projects that have been successfully completed foster an urban environment that is supportive of future development.** These include streetscape enhancements along the City's retail spine, gateway treatments at the North Y and South Y intersections, the expansion of Sahalee Park, and improvements to the City's regulations to improve downtown's aesthetics and help to guide new development in the core toward a more pedestrian-friendly environment.
- **Some projects have been partially completed, but given the nature of those projects as ongoing investments and the impacts of the Great Recession, this is not surprising.** The 2006 Plan included an urban design concept (see Exhibit 4) that detailed recommended physical improvements for the City to implement incrementally as new development occurred or funds were available. Thus, the City did improve several streets in the URA as new development projects occurred, but has not made all of the improvements shown in the urban design framework. In addition, the 2006 Action Plan did not define a specific number of façade improvements for the City to complete, and more façade improvements are certainly possible. Important elements of the Civic Center concept are complete or under construction (City Hall and the County Courthouse), but the City has not yet been able to attract the private development that could fulfill the vision put forth in the 2006 Action Plan.
- **Some projects have not been completed.** The "stopping place for visitors" project was never further explored. Sahalee Park provides some of the functionality desired. The program aimed at installing temporary landscapes on vacant lots also was never completed. There has likely been some political change that has occurred since these projects were conceived that has caused these projects to fall in priority.
- **The City completed a number of projects that were not identified explicitly in the urban renewal plan, but that nonetheless achieved the goals of the urban renewal plan.** These include financial support of The Inn at Crosskeys, Madras Cinema 5, and the Harriman Block. All of these projects meet some of the general goals outlined in the Urban Renewal Plan, but were opportunities that were not (and could not have been) anticipated as specific projects in the 2006 Action Plan.
- **While measuring progress toward these projects is difficult without specific metrics or targets, some progress has been made. Better integration of City and Agency efforts to market Madras and its businesses will improve ongoing efforts for some of these long-term actions.** In the case of LT2 (Encouraging Jobs-Housing Balance), the Great Recession was a key reason why the housing developments imagined in 2006, including the Yarrow Master Plan, were not fully executed. LT3 (Marketing the City) had a number of disconnected efforts that might have been better leveraged with more intention and focus on this goal.

Exhibit 4. 2006 Urban Design Concept



Source: 2006 Urban Revitalization Action Plan

URA Financial Snapshot

One purpose of this updated action plan is to take into consideration the current financial obligations and capacity of the URA to invest in new projects. This section provides a foundation for that input, though ECONorthwest will be completing detailed financial projections that will provide additional context for this important question.

Urban renewal is a statutorily authorized tool that allows municipalities to capture growth in property taxes and reinvest it inside of an urban renewal boundary for the purpose of revitalizing the area.³ Tax increment revenues are the major source of revenue for an urban renewal area. The Agency may borrow, or bond, against these revenues to make investments in the area. As is the case in most urban renewal areas in Oregon, therefore, the key financial question is whether the Agency's projected tax increment revenues are sufficient to both: (1) cover the debt obligations from prior borrowings (which invested in the many completed projects described above); and (2) allow for future debt obligations from investing in new projects. This is a fundamentally important question for the current plan update process, and one that will require more analysis than is presented in this first, baseline memorandum. Here, we describe the current year expenses and revenues as a snapshot.

The Agency has various financial commitments, some more flexible than others. It is legally required to pay its own debt service and line of credit. Other financial commitments in the City of Madras are more flexible. While the Agency currently shares a portion of the costs for economic development in the City of Madras, it is not legally required to. Exhibit 5 summarizes the Agency's expenses for the current fiscal year, FY 2015-16.

Exhibit 5. Madras Urban Renewal Agency Expenses, FY 2015-16

| | FY 2015-16 | Notes |
|----------------------------|------------------|---|
| Debt Service | \$180,900 | The Agency has paid \$677,670 in debt service since FY 2010-11. Unless the City changes its payment schedule, these payments continue until FY 2025-26. |
| Line of Credit (P & I) | \$0 | While there is no required payment in FY 2015-16, the Agency must pay starting 2016-17 through FY 2025-26, on line of credit draws made in FY 2011-12 and 2016-17 through FY 2025-26. |
| City Hall | \$75,000 | The Agency's total participation is approximately \$1.1 Million, paid in 14 increments between FY 2012-13 and FY 2025-26 |
| Building Improvement | \$0 | Façade grant and loan programs |
| Economic Development | \$75,000 | Updated Action Plan / Master Plan |
| Public Facilities | \$100,000 | Final payment of five payments for the Cinema 5 project. |
| Streets and Infrastructure | \$0 | No current expenditures related to this category. |
| Contingency | \$5,000 | |
| Material and Services | \$58,100 | Employee compensation, office supplies, and legal and professional services required to administer Urban Renewal. |
| Total Expenses | \$494,000 | |

Source: City of Madras

³ Statutes contained in ORS 457.

Exhibit 6 shows expected revenues for the current fiscal year, FY 2015-16. Total revenue, less total expenses, will leave an ending balance of \$52,746 for the following fiscal year. The Agency is currently drawing on a line of credit to make its debt obligations.

Exhibit 6. Madras Urban Renewal Agency Revenues, FY 2015-16

| Revenue | FY 2015-16 | Notes |
|----------------------------|------------------|---|
| Beginning Balance | \$49,111 | Includes unspent portion of \$2.6 million line of credit draw taken in FY 2011-2012. |
| Property Tax | \$322,635 | |
| Interest | \$0 | |
| Transfer Reinvestment Fund | \$0 | |
| Other | \$175,000 | Line of credit draw to fund \$89,000 for Urban Renewal Plan Update, \$100k for final Movie Theatre payment. |
| Total Revenue | \$546,746 | |
| Less Expenses | \$494,000 | |
| End Balance | \$52,746 | |

Source: City of Madras

The recession was hard on the urban renewal area’s revenues, as property tax growth slowed to a halt. This situation was exacerbated by changes in the rate structure, which reduced the overall tax rate applied to properties citywide as bonds retired. As a result, the Agency must dedicate the majority of its annual revenues to debt repayment. Overall, the Urban Renewal Agency’s financial ability to invest in new projects is very limited, emphasizing the need to identify and support new projects that can generate tax increment in the URA boundary.

“Maximum indebtedness” is another key component of urban renewal financial capacity. Maximum indebtedness is a statutorily required limit on the amount of debt that any urban renewal area can incur that is set in the Urban Renewal Plan. In the case of this URA, the Plan identified \$14 million as the plan’s borrowing limit. The Agency may not exceed this amount without first formally amending the plan. At this time, the Agency has no intentions of amending the Plan to increase the maximum indebtedness due to the financial factors affecting the District.

Exhibit 7 shows the Urban Renewal Agency’s remaining maximum indebtedness. Of the \$14 million allowed in the Urban Renewal Plan, the Madras Redevelopment Commission has identified \$9.8 million in uncommitted indebtedness available. ECONorthwest is reviewing this information and will confirm the City’s methodology for calculating maximum indebtedness as part of our analysis of tax increment finance projections.

Exhibit 7. Madras URA Maximum Indebtedness, as of October 2015

| Revenue | FY 2015-16 | Notes |
|---------------------------------------|--------------------|---|
| Original Maximum Indebtedness | \$14,000,000 | |
| Formal Debt Issued | \$2,500,000 | |
| Informal Debt Issued | \$1,682,841 | Includes all other expenditures of TIF proceeds |
| Remaining Maximum Indebtedness | \$9,817,157 | |

Source: City of Madras, 2015

Overall, the Agency’s ability to invest in new projects is limited unless new tax increment revenue generation (driven by new private development) occurs. While the agency has used only about one third of its available maximum indebtedness, the remaining maximum

indebtedness capacity cannot be accessed without sufficient revenue to back bond issuances. At this point, revenue generation is a more serious limitation on the URA's financial capacity than its maximum indebtedness limit.

Evaluation of Incomplete Projects

The two previous sections provided an overview of projects that are remaining to be completed, as well as a snapshot of the Agency's financial capacity to invest in these projects. Through analysis and stakeholder engagement, an important goal of this action plan update is to prioritize projects for implementation. Some of those projects will be new, and will result from input from stakeholders and the findings of market analysis, but the incomplete projects from the 2006 Action Plan are also an important source of potential projects. We begin with a closer look at the incomplete projects, to understand how they might contribute to the development environment in the URA.

City staff provided the following guiding principles as a starting place for discussion. This process will work to refine these guiding principles. The guiding principles emphasize importance of seeing new development occur in the area.

- *Increasing property values within the District to advance additional investment in the District.*
- *Reducing building vacancy within the District.*
- *Redevelopment of underutilized properties.*
- *Developing vacant properties.*
- *Encourage desired and or needed retail and commercial businesses within the District.*

Exhibit 6 provides a preliminary assessment of the incomplete projects that require capital expenditures against these guiding principles.

Exhibit 8. Remaining Projects that Would Require Capital Funds

| Remaining Project | Meets Guiding Principles? |
|---|---|
| Short-term projects | |
| <p>Create a "stopping place" for travelers. Landscaped parking lot for RVs and other tourist vehicles, perhaps with a source of "Opal Springs" water and a new park nearby. Should include restrooms and tourist information. Built on vacant land or parking lot currently in the Willow Creek overflow floodway.</p> | <p>Yes. The stopping place for travelers could occur on a site that exists in the floodway that is not currently redevelopable. The viability of this site would be best if the stopping place is convenient to access and close to existing destinations.</p> |
| <p>"Temporary landscapes" for vacant lots. Tidy and grade, add topsoil, and seed vacant lots with wildflowers. Use hedges/landscaping to define the lot and improve the pedestrian zone.</p> | <p>Partially. This effort would seek to beautify existing vacant lots to decrease the blighting effect of vacancy.</p> |
| <p>US 26/97 Street improvements. Widen sidewalks along US 26/97, promote attractive streets with trees and furnishing, and install curb extensions along couplet where missing.</p> | <p>Partially. Street improvements will help to improve the attractiveness of development sites, but may cost more to implement.</p> |
| <p>Improve storefronts. Initiate façade improvement program that offers grants and loans to businesses that wish to upgrade their facilities and attract new customers.</p> | <p>Yes. Focusing urban renewal dollars toward improvements to storefronts has a direct impact on property values and overall area appearance.</p> |
| <p>Streetscape improvements focused on East-West end streets. Urban redevelopment efforts on B, C, and D streets: Narrow streets bordering Willow Creek to add park space, add curb extensions, street trees, sidewalks, drainage swales. Narrow some streets by adding a plant strip.</p> | <p>Partially. Street improvements will help to improve the attractiveness of development sites, but may cost more to implement.</p> |
| <p>Redevelopment concept with new civic center. Focus civic uses on two blocks south of D street and west of southbound US 26/97, out of the floodplain. The concept could also include commercial development and a hotel.</p> | <p>Yes. Focusing the City's efforts on catalyzing development on specific sites of the URA is the best way to encourage development in the area.</p> |
| Long-term projects | |
| <p>Improve wayfinding</p> | <p>Partially. Improvements to the existing wayfinding in the area will improve the overall usability of downtown.</p> |
| <p>Build stand-alone tourist information center in downtown Madras</p> | <p>Partially. A tourist information center could drive additional customers towards existing businesses and improve the visibility of amenities in and near Madras.</p> |
| <p>Begin outlining key properties for acquisition by the city or ODOT</p> | <p>Yes. A strategy that follows the investment framework that will come out of this Plan Update will be key to furthering downtown redevelopment goals.</p> |
| <p>Willow Creek Vision. Expand upon the rough concept study completed as part of the original urban renewal study; Determine if re-greening of the City would successful mitigate future floods and re-orient the City to this new natural amenity.</p> | <p>No. The original description of the Willow Creek Vision outlines a strategy to "re-green" the City, without a complete framework of determining development opportunities in the existing floodplain. The City's current efforts working with the Army Corps will be crucial to understanding the properties that have no development potential and should be used in other ways.</p> |

Each of these projects will be considered carefully in light of market and financial analysis and public and stakeholder input as the action plan update process continues.

Implications

Based on the project progress and the existing financial commitments of the Agency, ECONorthwest has identified the following implications for the action plan update process:

- **The many projects completed between 2006 and 2015 have laid the groundwork for a more attractive development environment in downtown Madras.** The Agency should now transition to a focus on financial support for new private development projects. New development and businesses will increase the vitality of downtown Madras, and move the community closer to the original goals outlined in the Urban Renewal Plan.
- **The financial capacity of the agency is limited** without new development to generate additional tax increment growth, but the roughly \$9.8M in remaining borrowing capacity (maximum indebtedness) is sufficient to invest in many more projects.
- **The City needs to create proactive strategy to target investment to projects that can generate TIF.** New development will generate tax increment revenue, to ensure that the Agency is able to meet current and future obligations. This is therefore primary among the guiding principles. Projects that can help the City achieve this objective include: predevelopment assistance programs, strategic property acquisitions, façade improvement programs, downtown marketing programs that increase the customer base, etc.

Overall, this review has helped the consulting team to clarify the process and analytic needs for the next steps of this process. As the team transitions to identifying the projects that will be included in the next phase of planning, analysis of private development opportunities, especially in the retail core, will be central. Input from business owners and community members will continue to be very important; the team will also increase its emphasis on conversation with the developers, with property owners, and with other potential investors in development projects in the URA to identify the best, near-term opportunities for development.

The financial evaluation will clarify the financial picture for the Agency, and identify some investment scenarios based on the potential projects and their likely tax increment returns. Together, these inputs will help the tea to identify near-term actions that can catalyze development in the URA.

Madras Action Plan Update



Madras Redevelopment Commission
November 4, 2015

SEPT

OCT

NOV

DEC

JAN

Gather Input on Priorities

Investment Framework and Project List

Prioritize and Confirm Urban Design Framework

Draft and Final Action Plan

TECHNICAL ANALYSIS

2006 Progress Report
Retail Needs Analysis

PUBLIC OUTREACH

Public and Stakeholder Outreach (*interviews*)

ADVISORY COMMITTEE

Advisory Committee Input

A big list of projects...



Investment Framework and Guiding Principles

Cost Analysis

TIF Generation Analysis

Public Outreach (*Nov Workshops*)

Advisory Committee Input

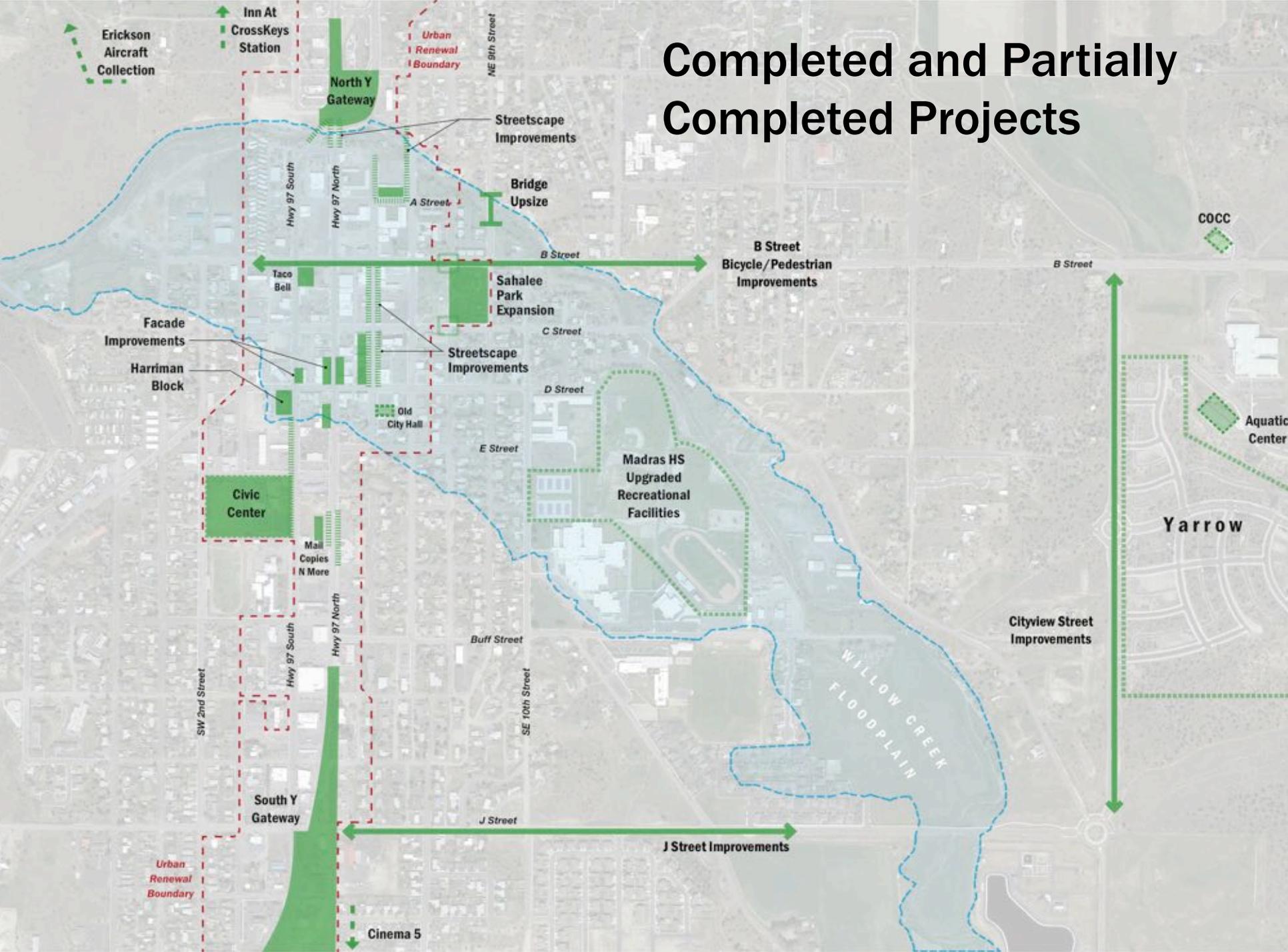
A refined, targeted list of projects...



For each project, refined:

- Name
- Description
- Rationale
- Partners
- Phasing
- Cost Estimate
- Funding Sources
- Next Steps

Completed and Partially Completed Projects



Progress Summary

Complete

Partially Complete

Not complete

Short Term

- Remove derelict signs
- Modify regulations
- Build new rec facilities
- North Y improvements
- Sahalee Park Expansion

- Improve storefronts
- Streetscape improvements
- Civic Center concept
- US 26/97 improvements
- Enforce speed limits

- Create stopping place
- Temporary landscapes

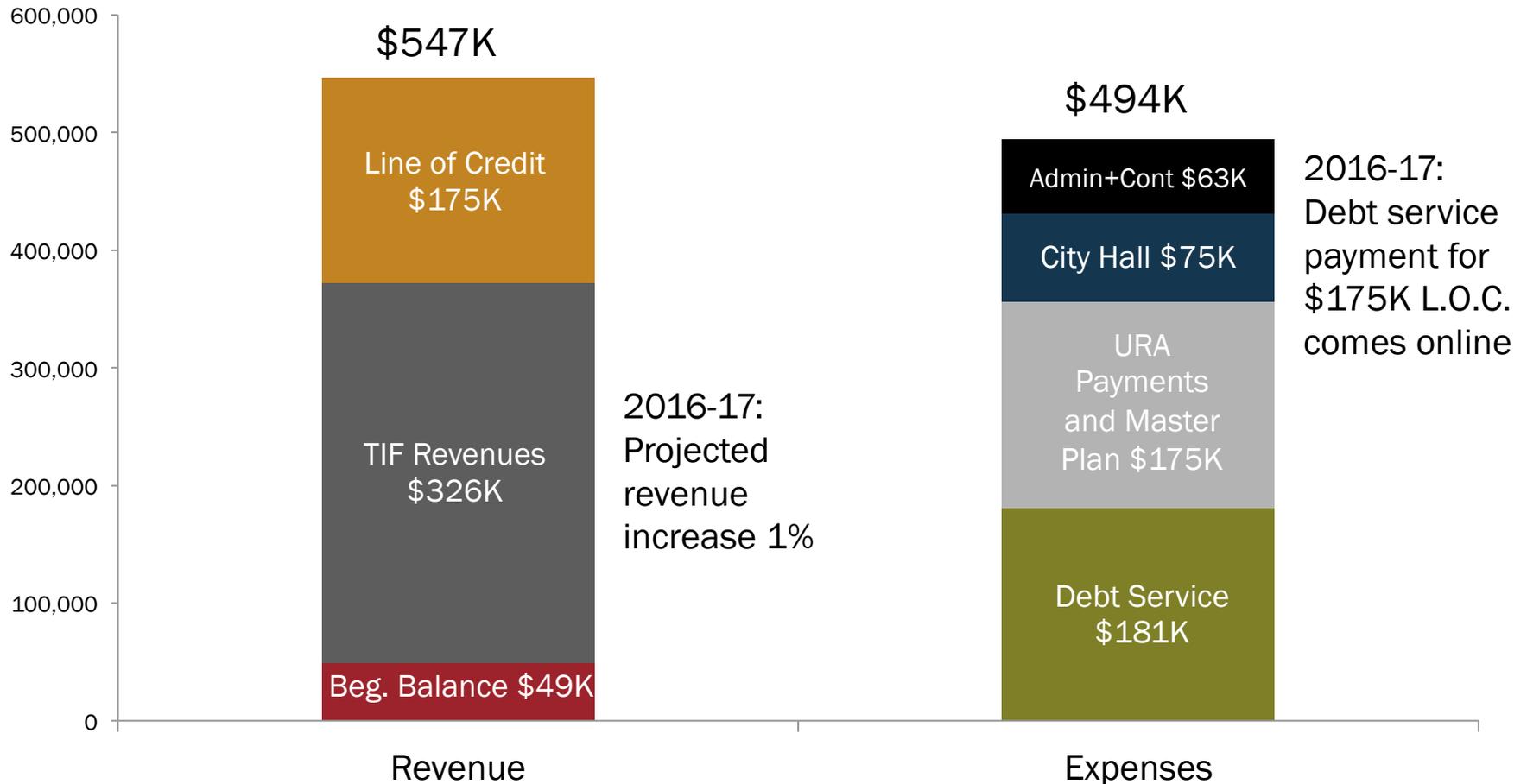
Long Term

- Increase chamber funding
- Improve summer events
- Market airport and ind park

- Housing/jobs balance
- Tourism marketing
- Improve rec sites
- Promote Opal Springs water
- Improve wayfinding
- Study bypass
- Develop zoning strategy
- Acquisition stratgy

- Build tourist info center
- Willow Creek Floodway vision

2015-2016 FYE Snapshot



Maximum Indebtedness

| Revenue | FY 2015-16 | Notes |
|--------------------------------|--------------|---|
| Original Maximum Indebtedness | \$14,000,000 | |
| Formal Debt Issued | \$2,500,000 | |
| Informal Debt Issued | \$1,682,841 | Includes all other expenditures of TIF proceeds |
| Remaining Maximum Indebtedness | \$9,817,157 | |

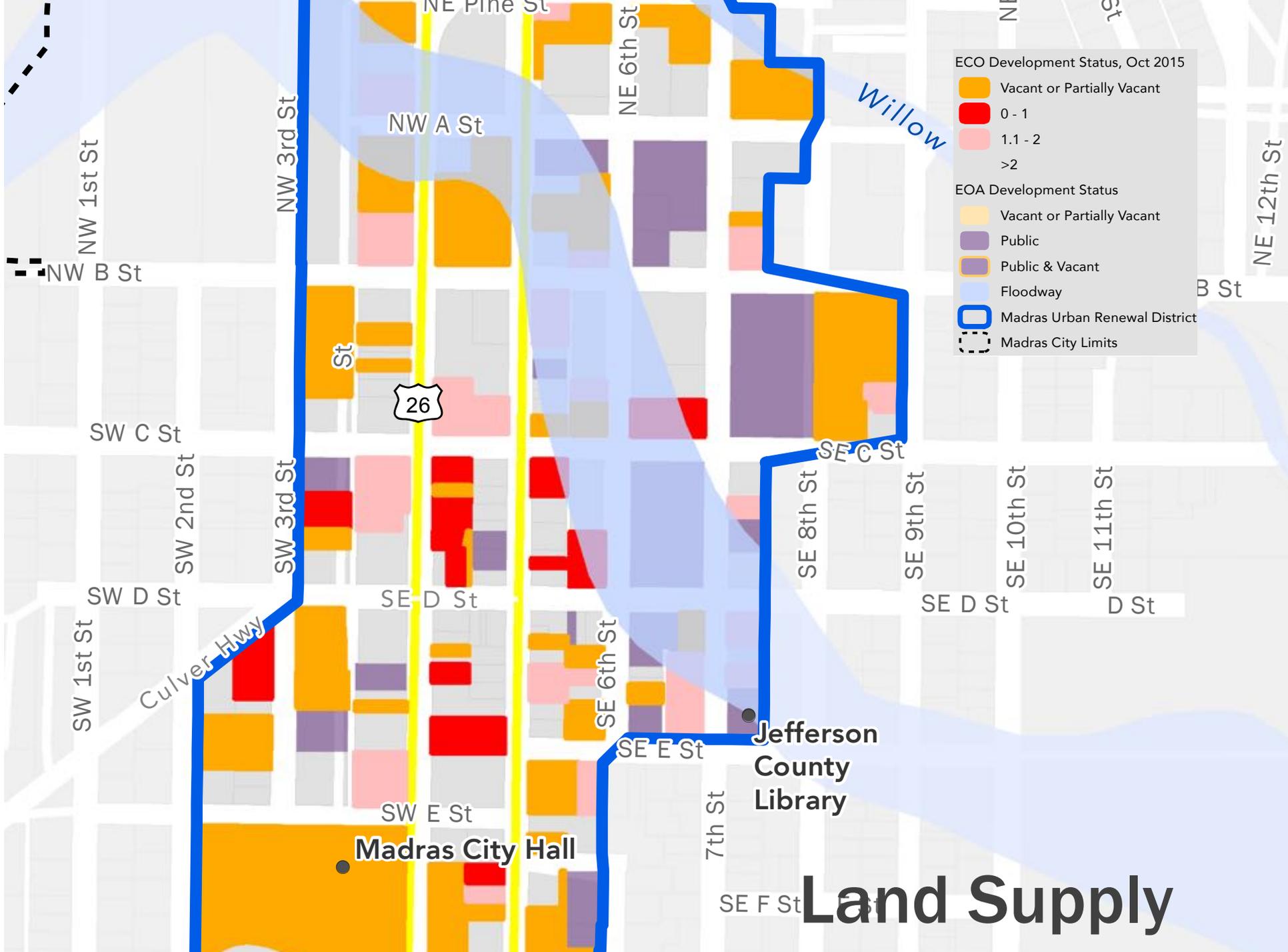
Draft guiding principles

- Increase property values within the District to advance additional investment in the District.
- Reduce building vacancy within the District.
- Redevelop underutilized properties.
- Develop vacant properties.
- Encourage desired and or needed retail and commercial businesses within the District.

Summary: Support catalytic retail and other commercial developments on underutilized and vacant properties.

Market Segment Needs

| Market Segment | What They Need | Opportunities / Approach to Attracting |
|--|--|--|
| Residents | <ul style="list-style-type: none"> Everyday services Food Merchandise Entertainment | <ul style="list-style-type: none"> Support existing businesses, improve Latino biz support Flex/maker space with retail |
| Employees | <ul style="list-style-type: none"> Everyday services Food Merchandise | <ul style="list-style-type: none"> Improved mix of merchandise and service offerings |
| Visitors (visiting nearby attractions) | <ul style="list-style-type: none"> Services Food Sundries Gifts Entertainment | <ul style="list-style-type: none"> Diversify dining options (brewery) General merchandise store Rental stores/outfitters Unique products |
| Visitors (traveling through) | <ul style="list-style-type: none"> Food Sundries | <ul style="list-style-type: none"> Diversify dining options (brewery) Local points of interest to keep them in Madras longer Unique products |



ECO Development Status, Oct 2015

- Vacant or Partially Vacant
- 0 - 1
- 1.1 - 2
- >2

EOA Development Status

- Vacant or Partially Vacant
- Public
- Public & Vacant
- Floodway
- Madras Urban Renewal District
- Madras City Limits

Madras City Hall

Jefferson County Library

Land Supply

26

Willow

Culver Hwy

NW 1st St

NW 3rd St

NE 6th St

NW A St

NW B St

SW C St

SW 2nd St

SW 3rd St

SW D St

SE D St

SE 6th St

SE 8th St

SE 9th St

SE 10th St

SE 11th St

SE D St

D St

SW E St

SE E St

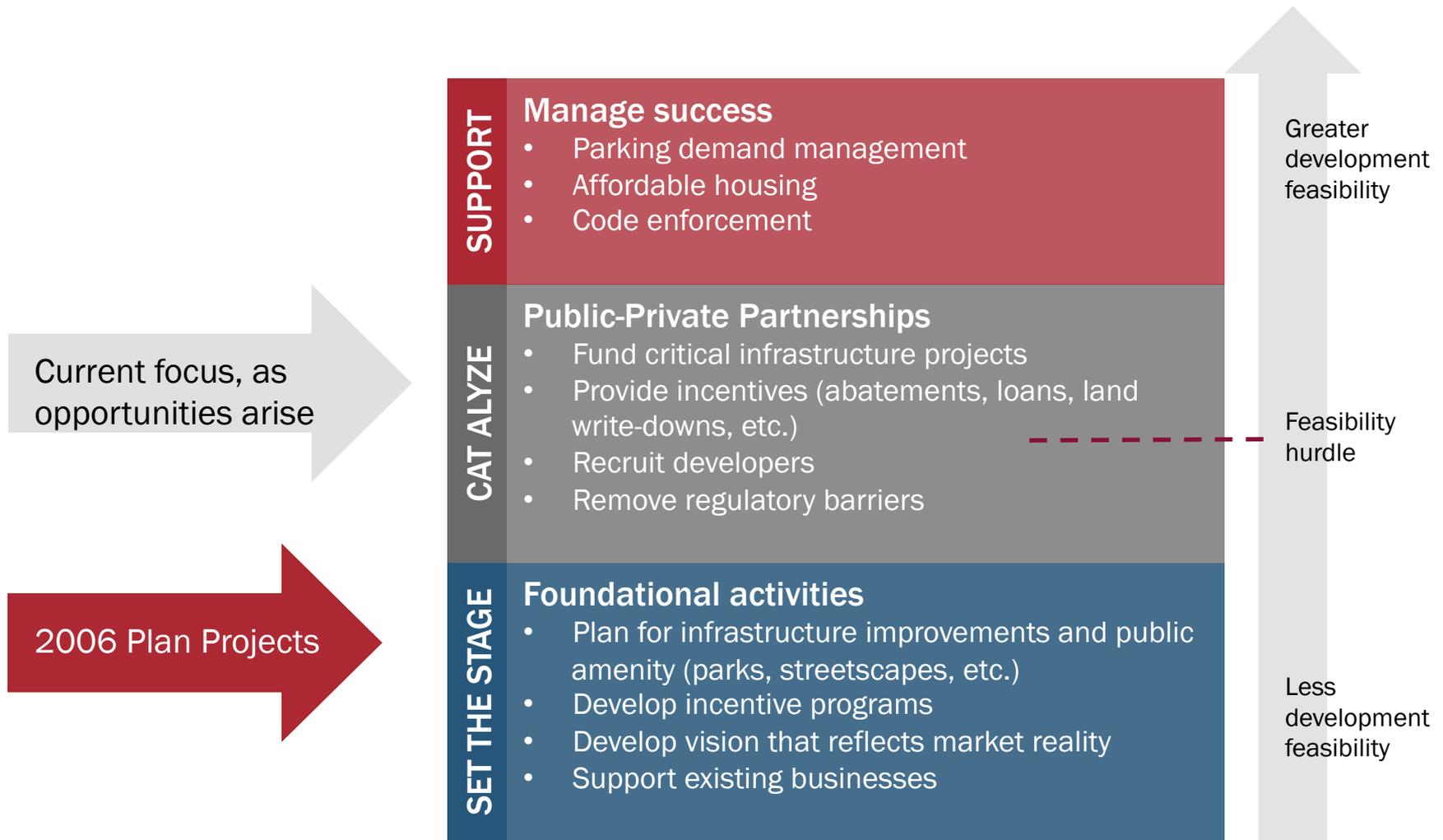
7th St

SE F St

B St

NE 12th St

Public Investment Framework



Draft Project Prioritization Criteria

- Underutilization
- Willing or interested property owners
- Location in the core of the URA where the City has made a set of coordinated investments
- Opportunity to achieve multiple goals