



City of Tigard Memorandum

To: Chair Dirksen and the City Center Development Agency Board

From: Sean Farrelly, Urban Renewal Senior Planner

Re: Current and Future City Center Development Agency Roles and Responsibilities

Date: June 1, 2009

INTRODUCTION

The following provides background for City Center Development Agency (CCDA) discussion about its current and future roles, responsibilities, and proposed future tasks.

BACKGROUND

Timeline of Urban Renewal in Tigard

- **1981:** First Downtown Urban Renewal plan passed
- **1983:** Tigard Urban Renewal Agency abolished and establishment of requirement for voter approval of tax-increment financing
- **1989:** Council establishes City Center Development Agency and City Center Advisory Commission (CCAC). Urban Renewal/tax increment ballot measure rejected by voters.
- **2002:** Citizen led effort for Downtown revitalization starts
- **May 2005:** Council re-activates CCDA
- **Sept. 2005:** Tigard Downtown Improvement Plan accepted by Council
- **Dec. 2005:** Urban Renewal Plan adopted by Council
- **May 2006:** Tax Increment Financing Ballot Measure approved

History, Roles and Responsibilities of the City Center Development Agency

The establishment of Urban Renewal Districts in Oregon is governed by Oregon Revised Statutes Chapter 457. A requirement of this statute is for the municipal governing body to set up an agency to carry out an urban renewal plan. This agency is considered to be a separate governmental entity from the municipal government. In Tigard this agency is the City Center Development Agency (CCDA).

Both the CCDA and the CCAC were formed by Council in 1989 (Ordinance 89-05) when the City attempted to form an Urban Renewal District in the Downtown. Although the urban renewal ballot measure failed, the CCDA “remained on the books” within Chapter 2.64 of the Tigard Municipal Code. Since there was no tax increment financing to implement a plan, the entity went “dormant.”

Starting 2002, a new citizen led effort started to revitalize Downtown Tigard, which culminated in the Tigard Downtown Improvement Plan. Council reactivated City Center Development Agency (Resolution 05-32) to help develop the City Center Urban Renewal Plan with specific projects to revitalize Downtown. Tax increment financing to fund the plan was approved by voters in 2006.

In the original 1989 ordinance, and again when the agency was reactivated in 2005, the membership of the CCDA was set as the members of the City Council. Under ORS 457 Council may establish urban renewal district governance by appointing a separate board or commission to serve as the urban renewal agency or by designating its members as the Agency board. The most common form of urban renewal district governance in Oregon is for the local elected body to assume the role. Among the cities and counties with this arrangement are the cities of Lake Oswego, Tualatin, Gresham, Sherwood, Salem, Troutdale, and Bend, as well as Clackamas County. Examples of cities with independent appointed boards are Portland and Medford.

The organization of the CCDA parallels the City Council. The Mayor is the Chair of the Board and the City Manager is the Executive Director of the CCDA. The City's Budget Committee serves as the City Center Development Agency Budget Committee.

CCDA Responsibilities

The stated purpose of the City Center Urban Renewal Plan is to use the tools provided by urban renewal to attract private investment and facilitate the District's redevelopment. The CCDA's primary role is to carry out the projects listed in the Urban Renewal Plan and allocate funds raised from tax increment financing. Specific responsibilities include:

- Establishing policies for the district and directing the Executive Director of the CCDA (the City Manager) and staff to carry out these policies.
- Approving CCDA budgets and allocating tax increment funds.
- Purchasing land from willing sellers for redevelopment as part of public/private partnerships.
- Establishing rules and regulations for administration of financial and technical assistance programs and relocation regulations.
- Making amendments to the City Center Urban Renewal Plan (increasing maximum amount of indebtedness and adding land greater than 1% to the district require voter approval.)
- Assigning any additional specific duties to the CCAC.

CCDA Past Actions

The CCDA during the last two years has undertaken the following specific tasks:

- Adopted CCDA budgets, 2007-2009
- Adopted Fanno Creek Park and Plaza Master Plan, February 2008
- Selected the location of the Downtown Plaza, August 2007
- Adopted the Downtown Streetscape Design Plan, September 2006
- Adopted Downtown Implementation Strategy, August 2006 (and subsequent updates)
- Proposed the Urban Renewal Plan, October 2005

History, Roles and Responsibilities of the City Center Advisory Commission

The CCAC was also created in 1989 by Ordinance 89-05. It, too, went dormant and was reactivated in 2005. Members were appointed to the reactivated commission in 2005 to work on the City Center Urban Renewal Plan. After the approval of the District, the role of the CCAC transitioned to an advisory body to the CCDA on matters pertaining to plan implementation and tax increment fund allocations. Its role is detailed in its by-laws, (approved by Council in October 2006, and amended in October 2007). The CCAC's responsibilities include:

- Making recommendations on policy, budget, and implementation of urban renewal projects identified within the Urban Renewal Plan and/or the annually adopted Downtown Implementation Strategy and Work Program to the CCDA for consideration, deliberation, and action.
- Making an annual report to the CCDA including a summary of key activities and proceedings and any specific suggestions or recommendations which the CCAC believes would assist its mission or the overall goals for the Downtown.
- Making recommendations to the CCDA for amendments to the Plan.
- Performing other duties as assigned by the CCDA

ORS 457 does not require the formation of a citizen advisory body when the governing body assumes the Development Agency's role, but nearly all jurisdictions in Oregon with urban renewal have done so.

Status and Future of City Center Urban Renewal

The experience of Tigard and other suburban communities is that downtown redevelopment does not occur quickly. One of the main reasons is that downtown assessed valuation is small relative to infrastructure investment need. Growth of the Assessed valuation of existing properties is limited by statute to three percent per year. Thus tax increment financing, urban renewal's primary fiscal tool, is quite limited without new development to increase the district's total assessed valuation. Current tax increment revenues are approximately \$117,000. Revised projections by Tashman and Johnson (urban renewal consultants) indicate that by 2014 tax increment receipts will be 60% of the original estimate (see Chart A.)

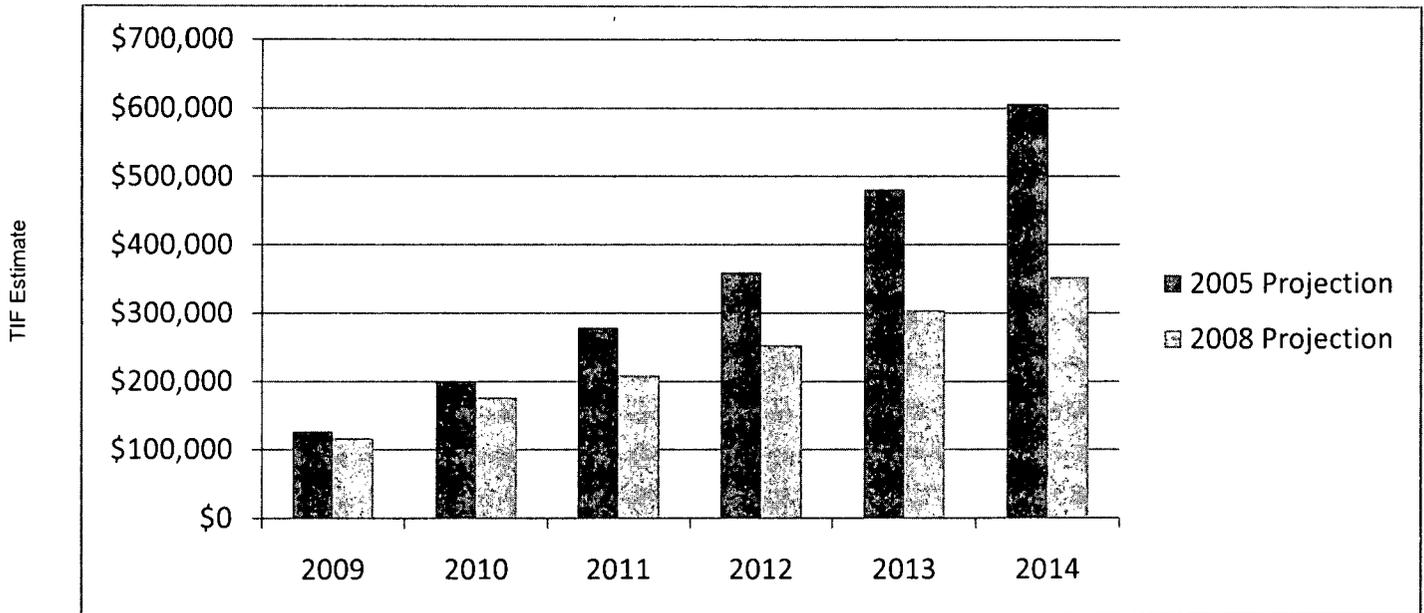


Chart A: Tax Increment Projections for Urban Renewal District 2005 and 2009

In view of the Urban Renewal District’s past performance and the current economic conditions, the CCDA may wish to adjust the City’s Urban Renewal strategy to the reality that tax increment revenues will, in the foreseeable future, be below initial expectations. Revenues will not be available to bond for the level improvements within the time period originally anticipated.

CCDA and Future Urban Renewal Strategies: The long term key to successful downtown redevelopment is to take short and long actions to foster private investment in the Downtown. Council as the CCDA has a key role in developing needed policies, strategies, and directing specific actions. During the upcoming Fiscal Year the CCDA may wish to undertake the following tasks, in addition to its other duties:

- Review and Revision of the Downtown Urban Renewal Plan to better match projected public expenditures with tax increment revenues;
- Develop specific strategies / policies to engage property owners, developers, and financing institutions to promote private investment in the downtown;
- Establish specific rules related to financial and technical assistance programs such as the proposed façade grant program, and development opportunity studies;
- Interagency coordination and communication with other public entities pertaining to redevelopment efforts such as Tri-Met; Metro; Oregon Community and Economic Development Department (OCEDD); ODOT etc; and

- Support the City Center Advisory Commission's efforts to develop a downtown leadership program.

TIGARD MUNICIPAL CODE

Chapter 2.64 CITY CENTER DEVELOPMENT AGENCY.

Sections:

- 2.64.010 Need Declared.**
- 2.64.020 Title.**
- 2.64.030 Membership.**
- 2.64.040 Powers.**
- 2.64.050 Limitation On Action.**
- 2.64.060 Advisory Commission Established.**

2.64.010 Need Declared.

Pursuant to ORS 457.035, the City Council declares that blighted areas now exist in the City and that there is currently a need for an Urban Renewal Agency to function in the City. (Ord. 89-05 §1, 1989).

2.64.020 Title.

The Urban Renewal Agency created by this chapter shall be known as the City Center Development Agency. (Ord. 89-05 §2, 1989).

2.64.030 Membership.

The City Center Development Agency shall be comprised of members of the City Council as it lawfully exists from time to time. Any change in membership of the City Council shall automatically, and without need for further legislative action, constitute an identical change in the membership of the City Center Development Agency. (Ord. 89-05 §3, 1989).

2.64.040 Powers.

Subject to the limitations imposed by Section 2.64.050, the City Center Development Agency shall have authority to exercise all powers available to the Agency under ORS Chapter 457, including, but not limited to, the power of eminent

domain. The powers conferred to this agency by ORS Chapter 457 are in addition and supplemental to the powers conferred by any other law. (Ord. 89-05 §4, 1989).

2.64.050 Limitation On Action.

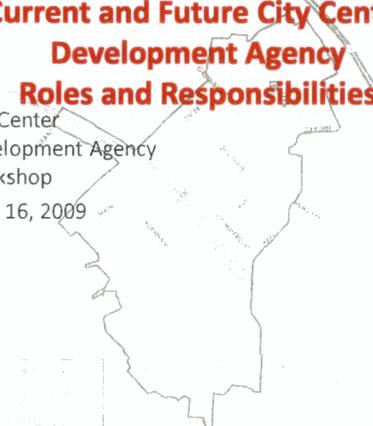
Any act of the City Center Development Agency shall be considered the act of the Urban Renewal Agency only and shall not be considered an act of the City Council, even though membership of both are identical. The City Center Development Agency shall not exercise any power which, by Charter, requires voter approval. (Ord. 89-05 §5, 1989).

2.64.060 Advisory Commission Established.

The City Center Advisory Commission is established. The Commission shall be comprised of seven to twelve members appointed by the City Council. The purpose of the Commission is to assist in implementation of the City Center Development Plan, to make recommendations to the City Center Development Agency and to help inform Tigard's citizens of the plan's content and activities. (Ord. 89-05 §6, 1989).■

**Current and Future City Center
Development Agency
Roles and Responsibilities**

- City Center Development Agency Workshop
- June 16, 2009



Urban Renewal in Tigard

Downtown 'vision' unveiled
Goals include more plants and parking, better access

Opinion
Given more time, city plan can sell

Word didn't get out in downtown plan

Planners seek right 'look' for city center



Tigard Urban Renewal Timeline

- **1981:** Downtown Urban Renewal plan passed
- **1983:** Tigard Urban Renewal Agency abolished and requirement for voter approval of tax-increment financing
- **1989:** Council establishes City Center Development Agency and City Center Advisory Commission. Urban Renewal rejected by voters. CCDA and CCAC remain on the books, but become "dormant."

Tigard Urban Renewal Timeline

- **May 2005:** Council re-activates CCDA
- **Sept. 2005:** Tigard Downtown Improvement Plan accepted by Council
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- **May 2006:** Tax Increment Financing Ballot Measure approved by voters

City Center Urban Renewal Plan

- **Goal:** Use the tools provided by urban renewal to attract private investment and facilitate the District's redevelopment
- **Maximum indebtedness:** \$22 million
- **Duration:** 20 years
- **FY 08-09 tax increment:** \$117,872

Role of CCDA

The Board That Administers the Urban Renewal Plan

Responsibilities:

- Establishing policies for the district and directing the Executive Director of the CCDA and staff to carry out.
- Approving CCDA budgets and allocating tax increment funds.
- Purchasing land from willing sellers for redevelopment as part of public/private partnerships.
- Establishing rules and regulations for administration of financial and technical assistance programs and relocation regulations.
- Making amendments to the Plan (some would require voter approval)
- Assigning any additional specific duties to CCAC.

Role of CCAC

Advisory body to CCDA on Plan implementation

Responsibilities:

- Making recommendations on policy, budget, and implementation of urban renewal projects to the CCDA.
- Making an annual report to the CCDA including a summary of key activities, proceedings and recommendations.
- Making recommendations to the CCDA for amendments to the Plan.
- Performing other duties as assigned by the CCDA

Urban Renewal District Governance

- In 1989 membership of the CCDA was set as the members of the City Council.
- ORS 457 authorizes URD governance to be made up of either an independent appointed board or the governing body of the municipality (but considered a separate governmental entity).
- When CCDA was reactivated in 2005, there was discussion that the Council would initially serve as the development agency and revisit the question in the future.
- The most common form of urban renewal districts district governance is for the local elected body to assume the role.

Urban Renewal District Governance

Examples of elected body governance:

- Lake Oswego, Tualatin, Gresham, Sherwood, Salem, Troutdale, Bend, Clackamas County

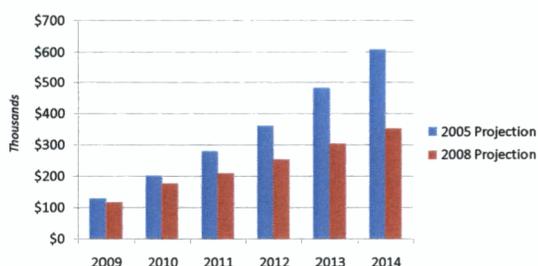
Examples of appointed body governance:

- Portland (PDC) and Medford

Urban Renewal Today

- Suburban downtown redevelopment does not occur overnight.
- Downtown assessed valuation is small relative to infrastructure investment need.
- Growth of the assessed valuation of existing properties is limited to 3% per year. Tax increment financing is limited without new development.
- Revenues will not be available to bond for the level improvements within the time period originally anticipated.

Tax Increment Projections 2005 vs. 2008



Projections by Tashman Johnson

CCDA and Future Urban Renewal Strategies

Potential Strategies for FY 2009-10

- Review, revise and prioritize the Urban Renewal Plan to better match projected public expenditures with tax increment revenues;
- Develop specific strategies / policies to engage property owners, developers and financing institutions to promote redevelopment;
- Establish specific rules for financial and technical assistance programs;
- Interagency coordination with other public entities pertaining to redevelopment efforts such as Tri-Met, Metro, OCEDD, ODOT, etc;
- Support the CCAC's efforts to develop a downtown leadership program.