URBAN RENEWAL AGENCY
of the City of Talent

TALENT URBAN RENEWAL AGENCY
REGULAR MEETING MINUTES
TOWN HALL
May 2, 2018 — 6:00 p.m.

Study Session, Regular Council & TURA meetings are being digitally recorded and will be available on the City website.

The Talent Urban Renewal Agency of the City of Talent will meet on Wednesday, May 2, 2018, at 6:00 p.m. in Town Hall, 206 E. Main Street. The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired, or for other accommodations for persons with disabilities, should be made at least 48 hours in advance of the meeting to the City Recorder at 541-535-1566, ext. 1012.

TURA reserves the right to add or delete items as needed, change the order of the agenda, and discuss any other business deemed necessary at the time of the study session and/or meeting.

REGULAR MEETING — 6:00 p.m.
Anyone wishing to speak on an agenda item should complete a Public Comment Form and give it to the City Recorder. Public Comment Forms are located at the entrance to the meeting place. Anyone commenting on a subject *not* on the agenda will be called upon during the "Citizens Heard on Non-Agenda Items" section of the agenda. Comments pertaining to *specific* agenda items will be taken at the time the matter is discussed by the City Council.

1. **Call to Order/Roll Call**

Members Present:	**Members Absent:**
Chair Ayers-Flood Vice-chair Dolan Member Land Member Berlant Member Harrison Member Pederson Member Baker	
Also Present:	
Zac Moody, Interim Executive Director Savannah Edson, City Recorder	

2. **Citizens Heard on Non-Agenda Items (0:30)**

   None.

3. **Consent Agenda (0:36)**

   3.1 Approval of Apr. 18, 2018 TURA Regular Meeting Minutes

   3.2 Approval of Apr. 17, 2018 Executive Session Minutes

- A few minor corrections were discussed regarding the Apr. 18 TURA Regular Meeting Minutes.

Motion: Member Pederson moved to approve the consent agenda, Apr. 17 executive session minutes and Apr. 18 TURA regular meeting minutes, as amended. Member Dolan seconded.

Vote: All ayes. Motion passed unanimously.

4. Regular Agenda

4.1 TURA Sunset Explanation from Dan Thorndike (3:46)

Staff Report from Executive Director Zac Moody

- Moody explained that the Board had asked at their Apr. 7 meeting for Thorndike, the TURA attorney, to come and answer some questions related to the TURA sunset process, where the group currently stands, and what options will be moving forward.

Dan Thorndike
PO Box 1588 Medford 97501

- Thorndike said he has been representing urban renewal agencies around the Rogue Valley since 1988. He is still learning details about the Talent Urban Renewal plan, although it matches, in form, many of the other urban renewal agencies in the valley.

- The exact time that an urban renewal agency needs to dissolve has changed over the years. In the 80's and 90's, dates were a lot more fixed, but now there are more options for continuation.

    - Today, what drives the continued existence of an urban renewal district, subject to decisions that the Board wants to make, is the total maximum indebtedness. That figure is calculated by taking the total indebtedness at the start of the agency and adding 20 percent. (This limit came out of some litigation that happened around Portland about ten years ago.)

- TURA has a few specific provisions about the end of the plan.

    - Section 1200 states that the plan shall have a duration of 28 years from the start date: which was Jul. 17, 1991. That means the TURA plan is set to terminate on Jul. 17 2019.

    - Section 701 is the preface to the section that talks about tax increment financing, which is the primary driver of the agency's activities. As the plan is currently written, tax increment financing in Talent with stop in July 2019. However, that provision can be amended.

        - Amending the tax increment financing requires consultation with special districts that are affected, but it does not require their approval. It's not necessarily a difficult amendment to get passed.

- With TURA's specific plan, the maximum indebtedness is 17 million dollars.

- As of a presentation by Moody in 2017, TURA had used roughly 13.8 million of their budget, leaving roughly 3.13 million dollars. Current projections show that by Jul. 2019, TURA could potentially have 1.8 million dollars left.

    - The choice is whether to leave the 1.8 million dollars at the current termination date or to continue with the tax increment financing to get up to the total maximum indebtedness of 17 million dollars.

- As TURA gets closer to ending the projects they're working on, the Board will get a clearer idea of what that figure may be, as there could be other unexpected costs that arise.

- Overall, the Board has a lot of flexibility on whether to continue the existence of the plan through a date that would allow the tax increment revenue to match the maximum total indebtedness. On the other hand, there is always the option to end the agency before reaching the maximum total indebtedness, in which case all collection of tax increment financing would stop and whatever is left that hasn't been spent would be returned to the assessor's office.

- The other limitation regarding the sunset process is that the Board cannot terminate the agency until the tax increment indebtedness is paid off.

Discussion:

- Member Baker asked for clarification on what would happen on July 2019 if unspent funds remain. Asked if the Board would still be able to use those funds and how.

  - Thorndike said that if the Board doesn't take any action before then, the funds would be returned to the assessor for redistribution. All funding needs to be spent or committed for it to remain past that date. It is quite common to have a certain amount of money at the termination date reserved to pay for projects that are already underway.

  - Thorndike added that no more tax increment financing would be collected after that date. If additional tax increment revenue is needed to fund the desired projects, then the Board should consider extending the July 2019 date until the time when the tax increment financing will match the total maximum indebtedness.

- Member Baker asked what would happen if – assuming the date is not extended – the Board has remaining funds in their account and projects that will not be completed by July 2019. Asked what the Board would have to do to demonstrate that the funds are committed.

  - Thorndike explained that just having a list with funding allocations wouldn't be enough. They would need to be committed through a signed contract. Said he would recommend erring on the conservative side and go through the steps to extend the date to ensure enough time for the projects to be completed. There are no repercussions associated with extending the plan and not needing the extra time.

- Member Dolan asked how much formality would be needed to commit funds by the end date of the plan. Asked for clarification that it would need to be contractually obligated. Thorndike confirmed.

- Member Dolan asked if there was a specific date by which an extension would need to be made. Thorndike said there needs to be enough time for public comment. Member Dolan asked if the decision could be made in March or April of next year. Thorndike confirmed.

- Mayor Ayers-Flood asked for clarification that the agency's plan could be extended without extending the tax increment financing and taking in more funding. Thorndike confirmed.

- Member Harrison asked if there could be some expenses associated with extending the agency in any way.

  - Thorndike explained that the agency, the plan, and the tax increment financing are all separate things. They can all be terminated on different timelines. For example, sometimes urban renewal agencies run on grant money and other funding sources after tax increment financing ends. An agency can also be dissolved before the plan is complete, in which case everything would go back to the City of Talent. There are other options, but that's the norm.

- Member Baker clarified that any projects not complete by July 2019 need to be contractually obligated within the plan. Asked if either the agency or the plan could be extended past that date.
    - Thorndike said the Board could do one or the other or both. There is nothing in the statute that says the agency needs to terminate.
- Member Baker asked, in the case that there are current projects that will continue past July 2019, whether the agency, the plan, or both would need to be extended.
    - Thorndike said the agency wouldn't need to be extended; the Board simply wouldn't move to terminate it. He would recommend extending the plan just in case unforeseen circumstances appear.
    - Tax increment financing, however, would require more attention. There is something called the "dribble factor," a possibility that it will take longer than the expected termination date for all the receipts of the monies to match the distribution to the assessor's office, often caused by things like late payments. Sometimes urban renewal plans get extended just to collect the very last bits of their maximum indebtedness.
- Member Land asked if Thorndike's recommendation was to extend the plan.
    - Thorndike said it's a good idea just to be safe, in case something happens.
- Member Dolan asked if Thorndike would come back in January of next year when the conversation would not be so hypothetical.
    - Thorndike agreed that would be a good idea, as there are many moving parts involved with making these decisions. At that time, the Board can consider the outcomes they would like to see and how long they could be expected to take, then work with Thorndike to determine the best course of action.
- Mayor asked if it would be possible for Thorndike to form his recommendations into a couple of bullet points and submit them to the City so there could be something for the record.
- Moody said he thinks it's fair to say that the Board should review the Urban Renewal Plan to make sure that the Gateway project is completely spelled out. Moody acknowledges that the Gateway Project area is spelled out in the W. Valley View Master Plan, but believes that a boundary adjustment which was not included in the master plan and that the plan should be revised to include the Gateway Project area to make it clear that it is an Urban Renewal project.
    - Mayor Ayers-Flood also pointed out there needs to be clarification that the plan changed names at some point.
- Member Baker asked Moody how far towards the maximum indebtedness TURA currently stands.
    - Moody clarified that it would be necessary for he and the Finance Director to work together to determine the actual number since records for TURA are spread across two different accounting systems. Staff believes that the numbers provided to the Board are fairly accurate, but needs to verify across both systems.
    - Baker asked how quickly could staff have that information. Staff anticipates that these numbers could be available in the fall although it could be sooner than that.
    - Baker asked if that information would be needed before the fall if TURA is to factor in Gateway to the plan, since they will need to know how much money they have and how much is due to come in.

- Moody clarified that the maximum indebtedness number (the original 17 million dollars minus what has already been spent) and the allotted budget for the Gateway project this year are two separate things. Moody said there could be a budget amendment coming up, but he doesn't know yet. Until there is a clearer site plan, it is difficult to estimate how much will be spent.

- Member Dolan asked if the Board needs to know exactly how much we have to spend before we figure out how to spend it.

  - Moody said that what TURA takes in from tax revenue is different than maximum indebtedness.

  - Thorndike said that is a total different number but it does relate to how long it may take for the agency to be able to collect the tax increment financing in an amount that reaches the maximum total indebtedness. This has been a problem for other urban renewal agencies because tax revenues can change over time.

  - Mayor Ayers-Flood said the amount we budget for is what we assess for that cycle. Clarified that the Board actually does know how much they are spending because the budget gets set first. This is different than the overall project cost.

- Baker said that asking for a good estimate on the back end will allow the Board to make better decisions about the Gateway Project.

  - Thorndike explained that whatever the commitment the agency makes is contingent on them having enough tax increment financing. Mayor said that has always been a part of the plan.

5. Items from Executive Director (43:53)

- The project on John Street will start within the next week or two, with completion by the end of June.

  - Moody expects a lot of public comment once trees come out since it will be a massive change in the landscape. However, the trees will be replanted elsewhere.

  - Will try to put something on Facebook or the website with the plans once the project is underway.

  - Mayor said it would be nice to have mention of it in the newsletter as well. Clarified that a different type of tree will be planted to replace the ones that are coming out.

- TURA has received the $60,000 Brownfield grant. They will be hiring a consultant with a salary of $6,000 to $60,000, depending on the scope of the work.

  - The City has used Alpine Environmental before and will likely use them again, as they already have information and could expedite the process. They could probably have it done in 12 weeks.

- Staff is now working on a memo of understanding Talent Maker City, DOSO Properties, and Urban Renewal and a letter of intent for TMC and TURA.

- Member Berlant asked when the EV charging station signs are expected to be up.

  - Moody said the City has the signs but he and Bret Marshall (Public Works) need to find the time to check out the sites and put them up.

6. Discuss Agenda Items for the Next Meeting (49:00)

- Member Dolan asked if there would be drafts of the Letter of Intent and the Memo of the Understanding at the next meeting.
    - Moody said they will be in the next packet. He would like to see the board approve them.

7. Adjournment at 6:54 p.m. (50:45)

Respectfully submitted by:

Savannah Edson, City Recorder

Attest:

Darby Ayers-Flood, Mayor

The City of Talent is an Equal Opportunity Provider

Note: This agenda and the entire agenda packet, including staff reports, referenced documents, resolutions and ordinances are posted on the City of Talent website (www.cityoftalent.org) in advance of each meeting.

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