



Clackamas Fire District #1

Work Session Briefing Packet

April 15, 2019



To safely protect and preserve life and property

CLACKAMAS FIRE DISTRICT #1

**AGENDA
BOARD OF DIRECTORS' WORK SESSION
CLACKAMAS FIRE DISTRICT #1
MT. SCOTT FIRE STATION
Monday, April 15, 2019**

Work Session – 4:30 pm

- 1. CALL TO ORDER PER ORS 192.610 TO 192.710
ORS 192.650 – The meeting is being recorded.**
- 2. City of Happy Valley's Proposed Urban Renewal Plan – Chief Charlton / City of Happy Valley City Manager Jason Tuck**
- 3. Draft Agreement with the Damascus Civic Club – Chief Charlton / BC Deters**
- 4. 2019 Legislative update – Chief Charlton**
- 5. Public Comment** (*The President will call for statements from citizens regarding District business, not to exceed three minutes per person.*)
- 6. Miscellaneous**
- 7. Adjournment**

Memo

TO: Board of Directors
FROM: Chief Charlton
DATE: April 10, 2019
RE: April 15 Board Work Session Discussion – Urban Renewal Plan

The Fire District has been actively engaged in conversation with the City of Happy Valley over the past several months regarding their proposed Urban Renewal Plan and the formation of an Urban Renewal District. Attached you will find the following documents: Urban Renewal District map (area of SE 172nd / SE Sunnyside Rd.) draft Project List, and a Financial Table indicating the diversion of property tax revenue to the Urban Renewal District over the proposed 25-years. Within the Financial Table, you will find Table 5a – General Government that indicates the loss to the Fire District.

The Fire District has asked City of Happy Valley City staff to attend the Board Work Session to explain the proposed plan and answer any questions.



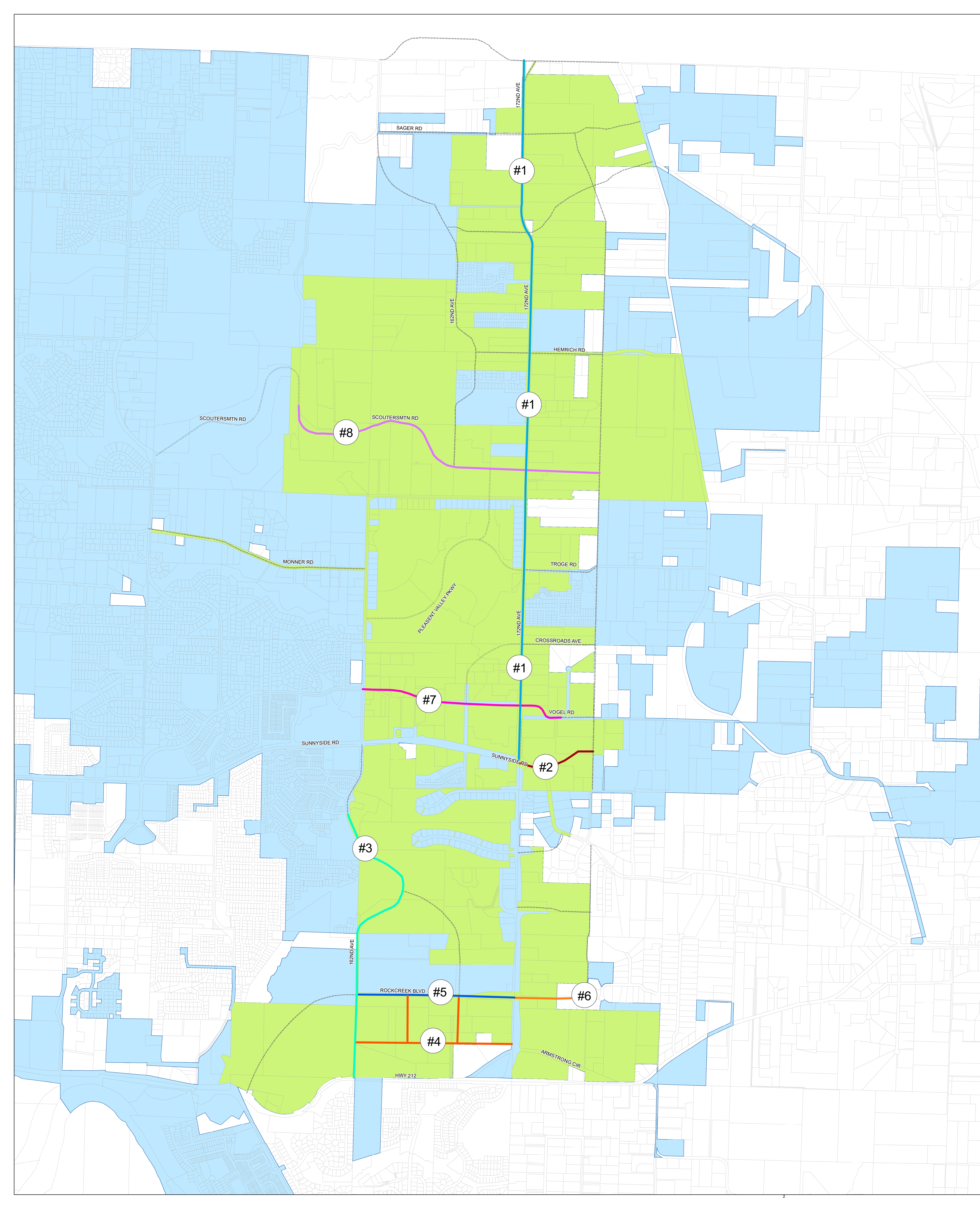
DRAFT URBAN RENEWAL DISTRICT / PROJECTS LIST

- #1. Widening of 172nd Ave.
- #2. Sunnyside Road/ Damascus Blvd. East Extension
- #3. 162nd Ave South
- #4. RCEC Collectors
- #5. Rock Creek Blvd.
- #6. Rock Creek Blvd. East Extension
- #7. Misty Drive/ Vogel Road East Extension
- #8. Scouters Mountain Road
- #9. Strategic Land Acquisition (TBD)

Urban Renewal District
1,631.4 Acres or 22%

Last Updated 2/26/19

Source: Original data from Clackamas County GIS and Metro (2018)
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Draft Urban Renewal Project List

Priority	Project Name	Description	Justification for Project	Estimated Cost (w/o public utilities)	Running Total	Notes
1	Widen 172nd Avenue	5-lane facility between Sunnyside & 190 th Connector & 3-lane facility between 190 th & County Line	Economic Development / Assessed Value / Safety / Traffic Management	\$ 25,210,000	\$ 25,210,000	\$8M from TSDCs
2	Strategic Land Acquisition	Downtown Development and/or land for future community park	Economic Development / Assessed Value	\$ 20,000,000	\$ 45,210,000	\$4.1M from PSDCs
3	Sunnyside Rd. East Extension	5-lane facility + 2-lane RAB between 172 nd Ave. & 177 th Ave.	Economic Development / Assessed Value / Safety / Traffic Management	\$ 13,000,000	\$ 58,210,000	\$2M from TSDCs
4	162 nd Ave. "South"	3-lane facility and bridge + traffic signal between 157 th Ave. (Taralon) & Hwy. 212	Economic Development / Assessed Value / Safety	\$ 18,640,000	\$ 76,850,000	\$3M from TSDCs
5	Rock Creek Employment Center Collectors	3-lane facilities south of Rock Creek Blvd. and north of Hwy. 212 and improved intersection of 172 nd Ave. & Hwy. 212	Economic Development / Assessed Value	\$ 5,600,000	\$ 82,450,000	\$2M from TSDCs
6	Rock Creek Blvd. East	5-lane facility from 162 nd Ave. to 172 nd Ave.	Economic Development / Assessed Value / Safety	\$ 1,500,000	\$ 83,950,000	\$0.5M from TSDCs
7	Rock Creek Blvd. East Extension	3-lane facility between 172 nd Ave. & 177 th Ave.	Economic Development / Assessed Value	\$ 2,800,000	\$ 86,750,000	\$0.5M from TSDCs
8	Misty Drive/Vogel Road East Extension	3-lane facility + traffic signal between 162 nd Ave. & 177 th Ave.	Assessed Value / Safety / Traffic Management	\$ 10,600,000	\$ 97,350,000	\$2M from TSDCs
9	Scouters Mtn. Rd.	2/3-lane facility between 147 th Ave. and 177 th Ave.	Assessed Value / Traffic Management	\$ 4,750,000	\$ 102,100,000	\$1M from TSDCs
Not Ranked	Administration of Urban Renewal Plan	Funds to administer the program (i.e. engineering, design, construction management, administration, etc.)	Significant Staff and Consultant Work will be necessary	\$ 5,000,000	\$ 107,100,000	\$1M from TSDCs
	Total Project Costs			\$ 107,100,000	\$ 107,100,000	\$24.1M from SDCs

MEMO

TO: Travis Warneke

FROM: Elaine Howard, Nick Popenuk

RE: Draft financial tables

DATE: March 20, 2019

Draft financial information prepared by Tiberius Solutions, LLC for the Happy Valley Urban Renewal Area is shown below. We will review this information in detail in the next Work Group meeting.

The projected Maximum Indebtedness (MI) is \$131,000,000. This number reflects a conservative estimate using the formula established in ORS 457.190(4)(c) for urban renewal areas that have an assessed value in excess of \$150 million. The projected assessed value of this urban renewal area is \$161,622,046. That total assessed value will be established by the county assessor once the urban renewal area is adopted by the Happy Valley City Council.

The financial projections indicate the urban renewal area would take 25 years to reach the MI, with an under-levy in the final year of Area.

Table 1 shows the projected Gross tax increment revenue (TIF), the net TIF which reflects underpayments, the maximum indebtedness, the funding capacity in 2019 dollars and the projected dollars amounts for projects in five-year increments.

Table 1 - Summary Table

Gross TIF	\$ 161,000,000
Net TIF	\$ 151,400,000
Maximum Indebtedness	\$ 131,000,000
Funding Capacity (2019\$)	\$ 83,300,000
Years 1-5	\$ 8,200,000
Years 6-10	\$ 17,900,000
Years 11-15	\$ 26,200,000
Years 16-20	\$ 12,100,000
Years 21-25	\$ 19,000,000

Table 2 is a chart that indicates how tax increment is available over time and the impact to taxing districts once the urban renewal area expires.

Table 2- TIF Chart

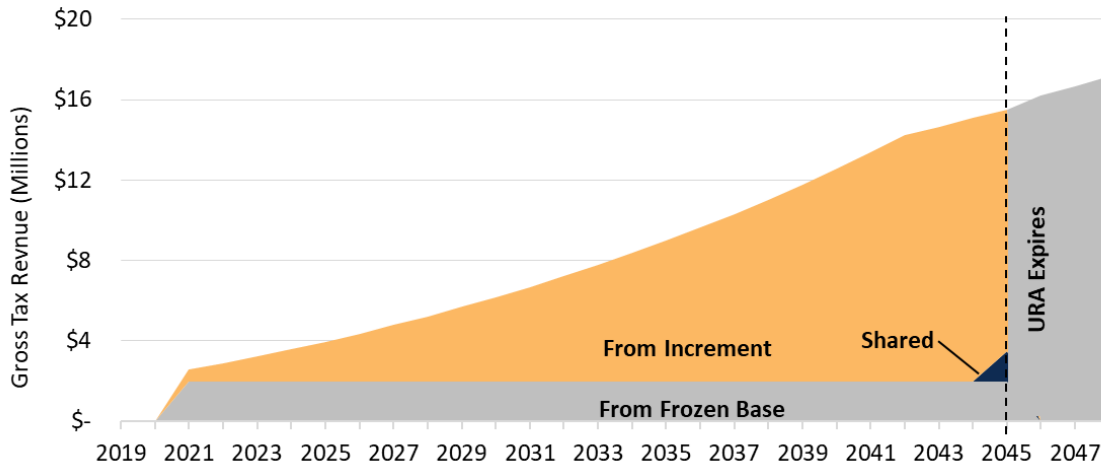


Table 3 indicates the expected total tax revenues, the frozen base, TIF revenues, the tax rate and adjustments for non-payments of 5% resulting in net TIF. The tax rate is higher in the initial year as there is one bond that will be impacted that year, but not thereafter. If legislation in the Oregon Legislature is passed, this bond will not be impacted. The tax rate assumes there is no North Clackamas Park District in effect.

Table 3 – TIF Projections

FYE	Assessed Value			Tax Rate	Tax Increment Finance		
	Total	Frozen Base	Increment		Gross	Adjustments	Net
2021	\$ 212,107,482	\$ 161,622,046	\$ 50,485,436	\$ 12.0411	\$ 607,902	\$ (30,395)	\$ 577,507
2022	\$ 239,412,202	\$ 161,622,046	\$ 77,790,156	\$ 11.9319	\$ 928,181	\$ (46,409)	\$ 881,772
2023	\$ 268,171,851	\$ 161,622,046	\$ 106,549,805	\$ 11.9319	\$ 1,271,337	\$ (63,567)	\$ 1,207,770
2024	\$ 298,448,890	\$ 161,622,046	\$ 136,826,844	\$ 11.9319	\$ 1,632,598	\$ (81,630)	\$ 1,550,968
2025	\$ 330,307,647	\$ 161,622,046	\$ 168,685,601	\$ 11.9319	\$ 2,012,732	\$ (100,637)	\$ 1,912,095
2026	\$ 363,816,269	\$ 161,622,046	\$ 202,194,223	\$ 11.9319	\$ 2,412,553	\$ (120,627)	\$ 2,291,926
2027	\$ 399,044,942	\$ 161,622,046	\$ 237,422,896	\$ 11.9319	\$ 2,832,895	\$ (141,645)	\$ 2,691,250
2028	\$ 436,065,957	\$ 161,622,046	\$ 274,443,911	\$ 11.9319	\$ 3,274,625	\$ (163,731)	\$ 3,110,894
2029	\$ 474,955,660	\$ 161,622,046	\$ 313,333,614	\$ 11.9319	\$ 3,738,650	\$ (186,933)	\$ 3,551,717
2030	\$ 515,792,681	\$ 161,622,046	\$ 354,170,635	\$ 11.9319	\$ 4,225,913	\$ (211,297)	\$ 4,014,616
2031	\$ 558,659,894	\$ 161,622,046	\$ 397,037,848	\$ 11.9319	\$ 4,737,398	\$ (236,870)	\$ 4,500,528
2032	\$ 603,642,659	\$ 161,622,046	\$ 442,020,613	\$ 11.9319	\$ 5,274,125	\$ (263,707)	\$ 5,010,418
2033	\$ 650,828,895	\$ 161,622,046	\$ 489,206,849	\$ 11.9319	\$ 5,837,145	\$ (291,857)	\$ 5,545,288
2034	\$ 700,309,159	\$ 161,622,046	\$ 538,687,113	\$ 11.9319	\$ 6,427,537	\$ (321,376)	\$ 6,106,161
2035	\$ 752,178,608	\$ 161,622,046	\$ 590,556,562	\$ 11.9319	\$ 7,046,435	\$ (352,321)	\$ 6,694,114
2036	\$ 806,537,130	\$ 161,622,046	\$ 644,915,084	\$ 11.9319	\$ 7,695,032	\$ (384,752)	\$ 7,310,280
2037	\$ 863,487,617	\$ 161,622,046	\$ 701,865,571	\$ 11.9319	\$ 8,374,557	\$ (418,728)	\$ 7,955,829
2038	\$ 923,136,042	\$ 161,622,046	\$ 761,513,996	\$ 11.9319	\$ 9,086,274	\$ (454,314)	\$ 8,631,960
2039	\$ 985,593,440	\$ 161,622,046	\$ 823,971,394	\$ 11.9319	\$ 9,831,507	\$ (491,576)	\$ 9,339,931
2040	\$1,050,974,175	\$ 161,622,046	\$ 889,352,129	\$ 11.9319	\$10,611,620	\$ (530,581)	\$ 10,081,039
2041	\$1,119,397,924	\$ 161,622,046	\$ 957,775,878	\$ 11.9319	\$11,428,043	\$ (571,403)	\$ 10,856,640
2042	\$1,190,987,955	\$ 161,622,046	\$1,029,365,909	\$ 11.9319	\$12,282,244	\$ (614,113)	\$ 11,668,131
2043	\$1,226,488,076	\$ 161,622,046	\$1,064,866,030	\$ 11.9319	\$12,705,827	\$ (635,291)	\$ 12,070,536
2044	\$1,263,053,202	\$ 161,622,046	\$1,101,431,156	\$ 11.9319	\$13,142,117	\$ (657,106)	\$ 12,485,011
2045	\$1,300,715,281	\$ 161,622,046	\$1,139,093,235	\$ 11.9319	\$13,591,495	\$ (679,575)	\$ 12,911,920

Table 4 shows the projected under-levy in the final year of the urban renewal area. This amount would be divided by the assessor to the taxing districts levying permanent rate taxes in the urban renewal area.

Table 4 – Under-levy

FYE	Net TIF			Underlevy
	Total	For URA	Shared	
2021	\$ 577,507	\$ 577,507	\$ -	
2022	\$ 881,772	\$ 881,772	\$ -	
2023	\$ 1,207,770	\$ 1,207,770	\$ -	
2024	\$ 1,550,968	\$ 1,550,968	\$ -	
2025	\$ 1,912,095	\$ 1,912,095	\$ -	
2026	\$ 2,291,926	\$ 2,291,926	\$ -	
2027	\$ 2,691,250	\$ 2,691,250	\$ -	
2028	\$ 3,110,894	\$ 3,110,894	\$ -	
2029	\$ 3,551,717	\$ 3,551,717	\$ -	
2030	\$ 4,014,616	\$ 4,014,616	\$ -	
2031	\$ 4,500,528	\$ 4,500,528	\$ -	
2032	\$ 5,010,418	\$ 5,010,418	\$ -	
2033	\$ 5,545,288	\$ 5,545,288	\$ -	
2034	\$ 6,106,161	\$ 6,106,161	\$ -	
2035	\$ 6,694,114	\$ 6,694,114	\$ -	
2036	\$ 7,310,280	\$ 7,310,280	\$ -	
2037	\$ 7,955,829	\$ 7,955,829	\$ -	
2038	\$ 8,631,960	\$ 8,631,960	\$ -	
2039	\$ 9,339,931	\$ 9,339,931	\$ -	
2040	\$ 10,081,039	\$ 10,081,039	\$ -	
2041	\$ 10,856,640	\$ 10,856,640	\$ -	
2042	\$ 11,668,131	\$ 11,668,131	\$ -	
2043	\$ 12,070,536	\$ 12,070,536	\$ -	
2044	\$ 12,485,011	\$ 12,485,011	\$ -	
2045	\$ 12,911,920	\$ 11,354,276	\$ 1,557,644	\$ 1,557,644

Tables 5a and 5b indicate the projected impact on taxing districts as a result of the permanent rate division of taxes.

Table 5a – General Government

FYE	Clackamas County City Permanent	Clackamas County Rural Permanent	City of Happy Valley Permanent	County Extension & 4H Permanent	County Library Permanent	County Soil Conservation Permanent	County Fire District 1 Permanent	North Clackamas Park Permanent	Port of Portland Permanent	Srv 2 Metro Permanent	Vector Control Permanent	Subtotal Gen. Govt.
2021	\$ (113,677)	\$ (2,020)	\$ (31,727)	\$ (2,364)	\$ (19,060)	\$ (2,398)	\$ (115,165)	\$ -	\$ (3,362)	\$ (4,633)	\$ (311)	\$ (294,717)
2022	\$ (176,879)	\$ (3,143)	\$ (49,366)	\$ (3,678)	\$ (29,657)	\$ (3,731)	\$ (179,193)	\$ -	\$ (5,232)	\$ (7,209)	\$ (485)	\$ (458,573)
2023	\$ (242,543)	\$ (4,310)	\$ (67,692)	\$ (5,044)	\$ (40,666)	\$ (5,116)	\$ (245,717)	\$ -	\$ (7,174)	\$ (9,886)	\$ (665)	\$ (628,813)
2024	\$ (311,688)	\$ (5,538)	\$ (86,991)	\$ (6,482)	\$ (52,259)	\$ (6,575)	\$ (315,767)	\$ -	\$ (9,218)	\$ (12,704)	\$ (854)	\$ (808,076)
2025	\$ (384,447)	\$ (6,831)	\$ (107,297)	\$ (7,996)	\$ (64,459)	\$ (8,111)	\$ (389,477)	\$ -	\$ (11,371)	\$ (15,669)	\$ (1,054)	\$ (996,712)
2026	\$ (460,973)	\$ (8,191)	\$ (128,655)	\$ (9,587)	\$ (77,290)	\$ (9,725)	\$ (467,006)	\$ -	\$ (13,634)	\$ (18,788)	\$ (1,264)	\$ (1,195,113)
2027	\$ (541,428)	\$ (9,621)	\$ (151,109)	\$ (11,260)	\$ (90,779)	\$ (11,422)	\$ (548,513)	\$ -	\$ (16,014)	\$ (22,067)	\$ (1,485)	\$ (1,403,698)
2028	\$ (625,977)	\$ (11,123)	\$ (174,707)	\$ (13,019)	\$ (104,955)	\$ (13,206)	\$ (634,169)	\$ -	\$ (18,514)	\$ (25,513)	\$ (1,717)	\$ (1,622,900)
2029	\$ (714,794)	\$ (12,701)	\$ (199,495)	\$ (14,866)	\$ (119,847)	\$ (15,079)	\$ (724,148)	\$ -	\$ (21,140)	\$ (29,132)	\$ (1,960)	\$ (1,853,162)
2030	\$ (808,060)	\$ (14,359)	\$ (225,525)	\$ (16,806)	\$ (135,485)	\$ (17,047)	\$ (818,634)	\$ -	\$ (23,898)	\$ (32,933)	\$ (2,215)	\$ (2,094,962)
2031	\$ (905,961)	\$ (16,098)	\$ (252,849)	\$ (18,841)	\$ (151,899)	\$ (19,111)	\$ (917,816)	\$ -	\$ (26,794)	\$ (36,924)	\$ (2,484)	\$ (2,348,777)
2032	\$ (1,008,696)	\$ (17,924)	\$ (281,521)	\$ (20,978)	\$ (169,125)	\$ (21,279)	\$ (1,021,896)	\$ -	\$ (29,833)	\$ (41,111)	\$ (2,766)	\$ (2,615,129)
2033	\$ (1,116,463)	\$ (19,839)	\$ (311,599)	\$ (23,219)	\$ (187,194)	\$ (23,552)	\$ (1,131,074)	\$ -	\$ (33,020)	\$ (45,503)	\$ (3,062)	\$ (2,894,525)
2034	\$ (1,229,471)	\$ (21,847)	\$ (343,139)	\$ (25,569)	\$ (206,141)	\$ (25,936)	\$ (1,245,560)	\$ -	\$ (36,363)	\$ (50,108)	\$ (3,372)	\$ (3,187,506)
2035	\$ (1,347,934)	\$ (23,952)	\$ (376,201)	\$ (28,033)	\$ (226,004)	\$ (28,435)	\$ (1,365,575)	\$ -	\$ (39,866)	\$ (54,937)	\$ (3,697)	\$ (3,494,634)
2036	\$ (1,472,084)	\$ (26,158)	\$ (410,852)	\$ (30,615)	\$ (246,818)	\$ (31,054)	\$ (1,491,348)	\$ -	\$ (43,538)	\$ (59,996)	\$ (4,037)	\$ (3,816,500)
2037	\$ (1,602,154)	\$ (28,469)	\$ (447,153)	\$ (33,320)	\$ (268,628)	\$ (33,798)	\$ (1,623,121)	\$ -	\$ (47,385)	\$ (65,298)	\$ (4,394)	\$ (4,153,720)
2038	\$ (1,738,386)	\$ (30,890)	\$ (485,174)	\$ (36,153)	\$ (291,469)	\$ (36,672)	\$ (1,761,136)	\$ -	\$ (51,414)	\$ (70,850)	\$ (4,767)	\$ (4,506,911)
2039	\$ (1,881,035)	\$ (33,425)	\$ (524,988)	\$ (39,120)	\$ (315,386)	\$ (39,681)	\$ (1,905,651)	\$ -	\$ (55,633)	\$ (76,664)	\$ (5,158)	\$ (4,876,741)
2040	\$ (2,030,360)	\$ (36,078)	\$ (566,663)	\$ (42,225)	\$ (340,424)	\$ (42,831)	\$ (2,056,931)	\$ -	\$ (60,050)	\$ (82,750)	\$ (5,568)	\$ (5,263,880)
2041	\$ (2,186,636)	\$ (38,855)	\$ (610,279)	\$ (45,475)	\$ (366,625)	\$ (46,128)	\$ (2,215,252)	\$ -	\$ (64,672)	\$ (89,120)	\$ (5,997)	\$ (5,669,039)
2042	\$ (2,350,145)	\$ (41,761)	\$ (655,914)	\$ (48,876)	\$ (394,039)	\$ (49,577)	\$ (2,380,899)	\$ -	\$ (69,507)	\$ (95,783)	\$ (6,445)	\$ (6,092,946)
2043	\$ (2,432,497)	\$ (43,224)	\$ (678,897)	\$ (50,588)	\$ (407,848)	\$ (51,314)	\$ (2,464,331)	\$ -	\$ (71,943)	\$ (99,140)	\$ (6,670)	\$ (6,306,452)
2044	\$ (2,516,029)	\$ (44,709)	\$ (702,211)	\$ (52,326)	\$ (421,854)	\$ (53,077)	\$ (2,548,955)	\$ -	\$ (74,413)	\$ (102,544)	\$ (6,900)	\$ (6,523,018)
2045	\$ (2,292,651)	\$ (40,739)	\$ (639,867)	\$ (47,680)	\$ (384,401)	\$ (48,364)	\$ (2,322,654)	\$ -	\$ (67,807)	\$ (93,440)	\$ (6,288)	\$ (5,943,891)
Total	\$ (30,490,968)	\$ (541,805)	\$ (8,509,871)	\$ (634,120)	\$ (5,112,312)	\$ (643,219)	\$ (30,889,988)	\$ -	\$ (901,795)	\$ (1,242,702)	\$ (83,615)	\$ (79,050,395)

Table 5b – Education

FYE	Clackamas Community College Permanent	Clackamas ESD Permanent	North Clackamas SD Permanent	Mt Hood Community College Permanent	Multnomah ESD Permanent	Centennial SD Permanent	Subtotal Education	Total All
2021	\$ (24,159)	\$ (15,957)	\$ (210,780)	\$ (2,302)	\$ (2,142)	\$ (22,209)	\$ (277,549)	\$ (572,266)
2022	\$ (37,591)	\$ (24,829)	\$ (327,969)	\$ (3,581)	\$ (3,333)	\$ (34,557)	\$ (431,860)	\$ (890,433)
2023	\$ (51,546)	\$ (34,047)	\$ (449,724)	\$ (4,911)	\$ (4,570)	\$ (47,386)	\$ (592,184)	\$ (1,220,997)
2024	\$ (66,242)	\$ (43,753)	\$ (577,934)	\$ (6,311)	\$ (5,873)	\$ (60,896)	\$ (761,009)	\$ (1,569,085)
2025	\$ (81,704)	\$ (53,967)	\$ (712,842)	\$ (7,784)	\$ (7,244)	\$ (75,110)	\$ (938,651)	\$ (1,935,363)
2026	\$ (97,968)	\$ (64,710)	\$ (854,737)	\$ (9,333)	\$ (8,686)	\$ (90,062)	\$ (1,125,496)	\$ (2,320,609)
2027	\$ (115,067)	\$ (76,004)	\$ (1,003,917)	\$ (10,962)	\$ (10,202)	\$ (105,780)	\$ (1,321,932)	\$ (2,725,630)
2028	\$ (133,036)	\$ (87,872)	\$ (1,160,689)	\$ (12,674)	\$ (11,795)	\$ (122,299)	\$ (1,528,365)	\$ (3,151,265)
2029	\$ (151,912)	\$ (100,340)	\$ (1,325,374)	\$ (14,472)	\$ (13,468)	\$ (139,651)	\$ (1,745,217)	\$ (3,598,379)
2030	\$ (171,733)	\$ (113,433)	\$ (1,498,307)	\$ (16,360)	\$ (15,226)	\$ (157,873)	\$ (1,972,932)	\$ (4,067,894)
2031	\$ (192,539)	\$ (127,175)	\$ (1,679,837)	\$ (18,342)	\$ (17,070)	\$ (177,000)	\$ (2,211,963)	\$ (4,560,740)
2032	\$ (214,373)	\$ (141,596)	\$ (1,870,328)	\$ (20,422)	\$ (19,006)	\$ (197,072)	\$ (2,462,797)	\$ (5,077,926)
2033	\$ (237,276)	\$ (156,724)	\$ (2,070,150)	\$ (22,604)	\$ (21,037)	\$ (218,127)	\$ (2,725,918)	\$ (5,620,443)
2034	\$ (261,293)	\$ (172,588)	\$ (2,279,688)	\$ (24,892)	\$ (23,166)	\$ (240,206)	\$ (3,001,833)	\$ (6,189,339)
2035	\$ (286,470)	\$ (189,218)	\$ (2,499,346)	\$ (27,291)	\$ (25,398)	\$ (263,350)	\$ (3,291,073)	\$ (6,785,707)
2036	\$ (312,854)	\$ (206,645)	\$ (2,729,544)	\$ (29,804)	\$ (27,737)	\$ (287,606)	\$ (3,594,190)	\$ (7,410,690)
2037	\$ (340,497)	\$ (224,903)	\$ (2,970,720)	\$ (32,438)	\$ (30,188)	\$ (313,018)	\$ (3,911,764)	\$ (8,065,484)
2038	\$ (369,450)	\$ (244,027)	\$ (3,223,322)	\$ (35,196)	\$ (32,755)	\$ (339,634)	\$ (4,244,384)	\$ (8,751,295)
2039	\$ (399,766)	\$ (264,052)	\$ (3,487,821)	\$ (38,084)	\$ (35,443)	\$ (367,503)	\$ (4,592,669)	\$ (9,469,410)
2040	\$ (431,502)	\$ (285,014)	\$ (3,764,702)	\$ (41,107)	\$ (38,257)	\$ (396,678)	\$ (4,957,260)	\$ (10,221,140)
2041	\$ (464,714)	\$ (306,951)	\$ (4,054,469)	\$ (44,271)	\$ (41,201)	\$ (427,210)	\$ (5,338,816)	\$ (11,007,855)
2042	\$ (499,463)	\$ (329,904)	\$ (4,357,647)	\$ (47,582)	\$ (44,282)	\$ (459,155)	\$ (5,738,033)	\$ (11,830,979)
2043	\$ (516,966)	\$ (341,464)	\$ (4,510,346)	\$ (49,249)	\$ (45,834)	\$ (475,244)	\$ (5,939,103)	\$ (12,245,555)
2044	\$ (534,718)	\$ (353,190)	\$ (4,665,231)	\$ (50,940)	\$ (47,408)	\$ (491,564)	\$ (6,143,051)	\$ (12,666,069)
2045	\$ (487,245)	\$ (321,833)	\$ (4,251,043)	\$ (46,418)	\$ (43,199)	\$ (447,922)	\$ (5,597,660)	\$ (11,541,551)
Total	\$ (6,480,084)	\$ (4,280,196)	\$ (56,536,467)	\$ (617,330)	\$ (574,520)	\$ (5,957,112)	\$ (74,445,709)	\$ (153,496,104)

Memo

TO: Board of Directors

FROM: Chief Charlton

DATE: April 10, 2019

RE: April 15 Board Work Session Discussion – Station 19
Agreement

Attached you will find the following documents: Damascus Community Fire Station 19 Warranty Deed (address 20100 SE Hwy. 212), a draft agreement from the Fire District to the Damascus Civic Club regarding the use of Station 19 and the draft agreement with the Damascus Civic Club suggested edits.

The Fire District desires to continue to use the existing facility for fire district purposes after the new Community Fire Station 19 on SE Damascus Lane opens in April 2019. The current fire station would be converted to support the Fire Districts Volunteer Support program with the addition of a rehab apparatus and water tender apparatus. This apparatus would be deployed as an enhancement to the existing Volunteer Support program and would help increase the Fire Districts operational effectiveness.

A portion of the current fire station (approximately 676 sq. ft) would be converted from the current fire station kitchen / day room into a community meeting room. To accomplish this, the Fire District will need to provide ADA access, provide meeting room items to include tables / chairs and secure the access into the areas that will be used to support our Volunteer program.

The Fire Districts Interagency Committee will be meeting with the Damascus Civic Club Board on Wednesday, April 17, so this information will be used during the work session to help provide clarity and direction moving forward.

WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS, That The Damascus Civic Club, Inc., a corporation duly organized and existing under the laws of the State of Oregon, hereinafter called grantor, for the consideration hereinafter stated, does hereby grant, bargain, sell and convey unto Boring Rural Fire Protection District No. 59, Clackamas County, hereinafter called grantee, its successors and assigns, for so long as the property hereinafter described is used as a site for a fire station facility, that certain real property, with the tenements, hereditaments and appurtenances thereunto belonging or appertaining, situated in the County of Clackamas, and State of Oregon, described as follows, to-wit:

Beginning at the Northeast corner of Section 8 T2S R3E W.M., Clackamas County, Oregon, thence S 88° 53' W 148.00 feet to a point; thence South 30.00 feet to the true point of beginning of the tract herein described.

Thence continuing South 225.00 feet to an iron rod; thence S 88° 53' W 85.00 feet to an iron rod; thence North 225.00 feet to an iron rod; thence N 88° 53' 00" E 85.00 feet to the true point of beginning of the tract herein described.

If the property described above is no longer used as the site of a fire station facility, the interest of the grantee, its successors and assigns, shall automatically terminate and the property shall revert to the grantor, its successors and assigns.

And said grantor hereby covenants to and with said grantee and grantee's successors and assigns, that grantor is lawfully seized in fee simple of the above granted premises, free from all encumbrances except real property taxes for the tax year 1975-76 which are to be borne by grantee and that grantor will warrant and forever defend the above granted premises and every part and parcel thereof against the lawful claims and demands of all persons whomsoever, except those claiming under the above described encumbrances.

The true and actual consideration paid for this transfer, stated in terms of dollars, is \$0.00. However, the actual consideration consists of or includes other property or value given or promised which is the whole consideration.

E A S E M E N T

DAMASCUS CIVIC CLUB, an Oregon corporation, hereinafter called Grantor, conveys to DAMASCUS DEVELOPMENT COMPANY, an Oregon corporation, hereinafter called Grantee, ^① an easement for drain field purposes over the south one hundred eighty (180) feet ^② and an easement for lateral support purposes consisting of a land fill embankment on a strip of land three hundred (300) feet long and fourteen (14) feet wide adjoining the east side of Grantee's property commencing at a point on the west ~~south~~ line of Grantor's property one hundred ninety (190) feet south of the northwest corner of Grantor's property, said drain field easement to continue until such time as sewers are installed in the area, and the land fill embankment easement to continue until such time as Grantor shall remove same at Grantor's expense and without causing any loss of lateral support or expense to Grantee, on that certain real property in Clackamas County, Oregon, described as follows:

A part of Section 8, Township 2 South, Range 3 East, of the W. M., in the County of Clackamas and State of Oregon, more particularly described as follows:

Commencing at the corner of Sections 4, 5, 8 and 9, Township 2 South, Range 3 East of the Willamette Meridian, thence running west on the section line, a distance of 9 rods to the true place of beginning of the parcel to be described; thence running West on the section line, a distance of 13.32 rods to the northwest corner of that certain tract of land described in deed to John H. Coelyn recorded September 25, 1952, in Book 461, page 144, Deed Records; thence South along the west line of said Coelyn tract, a distance of 9.83 chains to a road running east and west; thence East following said road to the southwest corner of that certain tract of land conveyed to June Kirstenson by deed recorded March 17, 1891, in Book 41, page 74, Deed Records; thence North along the west line of said Kristenson tract and its northerly extension to the place of beginning, d as

EXCEPTING and RESERVING to the grantors, their heirs and assigns, in perpetuity, from said premises the right to remove one-half of the water in a well and to lay and maintain a pipe from said well, which is located near the easterly boundary line of said premises, to the land of the grantors adjoining on the east and the right of access to and from said well in order to maintain the pipe and share in the maintenance of the well in order that the water can be brought to the adjoining tract referred to.

Line of property conveyed to Emil J. Johnson and wife by Deed Book 692, page 93, Clackamas County Record; thence South along said east line 613.78 feet to the Southeast corner of said Johnson tract; thence West, along the south line of said Johnson tract 220.20 feet to the Northwest corner of said

BORING FIRE PROTECTION DISTRICT No. 59

Business Phones
663-4638
658-3154
630-3537

P. O. BOX 85 - BORING, OREGON 97009

Emergency Phones
663-4121
658-3153
630-3535

December 15, 1975

The following is certified to be a direct quotation from the Boring Rural Fire Protection District #59 board which met on December 9, 1975.

"The property tax question at the Damascus Substation was reviewed. The attorney has not received the requested information from the state or the county and he feels we should continue to sit tight and wait for his recommendation. He did recommend we receive clear deed to the property as soon as possible. Chief Shields reported that the Civic Club has met and approved the transfer of the deed for the property to the fire district free and clear with the stipulation that if we discontinue using that site as a fire station, the property will revert back to the Civic Club if it still exists. The board felt that they should take advantage of the offer as soon as possible. Motion by Wescott, seconded by Ritter to accept the offer of the Damascus Civic Club for clear deed to the property now being leased by the district as a fire station site with the clause included that if the district discontinues to use the site as a fire station, the property will revert back to the Civic Club if they exist. Motion carried unanimously."

I so certify that the foregoing is a direct excerpt from the board meeting minutes.



Arlene M. Taylor

November 20, 1975

Damascus Civic Club members met at the home of Mabel Wescott with ten members present, including Mrs. Bill Jones, Walt Schubert, Art Rykken, Elwood Ashmore, Emil Johnson, Joyce Curtin, Mr. & Mrs. George Triesch, Mabel Wescott, and Frances Doney.

Minutes of the last meeting were read and approved.

Treasurers report showed a balance of \$1224.00 on hand. All bills and current taxes have been paid.

No old business was carried over .

Under new business Chairman Art Rykken asked if there were any objections to the request by Carl Howard, Boy Scout leader, that they use the Civic Club grounds again in August, 1976, for their annual carnival. Motion made and seconded that this be allowed. Motion carried.

A letter was read from the Boring Fire Protection District #59 requesting full ownership of the land that the fire house is built on in Damascus. This land was originally leased to the department, but in order to clarify the tax liability on same, they feel a deed is necessary. There was a discussion on this by the members present, and it was agreed that a deed will be given to the fire department with the stipulation that the land will revert back to the Damascus Civic Club if at any time it ceases to be used as a site for the fire station. Motion by George Triesch, seconded by Joyce Curtin that this be allowed. Motion carried.

The next business discussed was how to improve and beautify the park. All agreed we should start our work there, even if we do part of it now. Suggestions were: tennis courts, public toilets, picnic benches, landscaping, and et cetera. It was also agreed that we try and get a study made, plans drawn up for the landscaping, and see what has to be done through the Planning Commission, and ask the road department about the possibility of a road into the back of the Civic Club lot. Joyce Curtin offered to go to Oregon City with officers on this. Motion made that after the above items have been researched, we call another directors meeting for a report. Motion carried.

Meeting was adjourned.

Frances E. Doney
Secretary

Frances E. Doney

**USE AGREEMENT
BETWEEN CLACKAMAS FIRE DISTRICT NO. 1
AND THE DAMASCUS CIVIC CLUB**

This USE AGREEMENT (this “Agreement”) is made and entered into on _____, 20__ (the “Effective Date”), by and between the Clackamas Fire District No. 1 (the “District”) and the Damascus Civic Club (“Civic Club”) (collectively referred to as “the Parties”).

RECITALS

A. The District owns and operates a fire station located at 20100 SE Highway 212, Damascus, OR 97089 and described in more detail in Exhibit A (the “Property”); and

B. The Parties desire to make available a community room within the fire station and located on the Property to be used and managed by the Civic Club in accordance with the community’s vision for the Property.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to this Agreement as follows:

1. Community Room. The community room will be a 26 foot by 26 foot area (676 square feet) located in the rear (south end) of the Property and will include a bathroom and kitchenette with an access door leading to the parking lot.

2. Construction and Availability of Community Room. The District will cause all construction and preparation work required to create the community room to be completed within six (6) months of the District’s receipt of a certificate of occupancy from Clackamas County for the new fire station located on Damascus Lane. The new community room will comply with applicable building codes and accessibility standards.

a. Public Work. Construction of the community room may constitute a public work as defined under Oregon law, and, if so, will be subject to all applicable laws relating to public works.

3. Use of Community Room. Civic Club will have priority in use of the community meeting room along with the following duties and responsibilities:

a. Purchasing and stocking all necessary supplies for the community room, including kitchenette supplies and restroom supplies, at the Civic Club’s sole cost and expense.

- b. The Civic Club will serve as the public contact for use of the community room and will manage and maintain a schedule of use and reservation of the community room that is regularly updated and complies with District policies.
4. District's Access to Community Room. The District will retain unrestricted access to the community room and will continue to maintain and occupy the remainder of the existing fire station for the District's use and operate the building as a fire station facility.
5. District's Duties. The District will have the following additional duties:
- a. Provide the Civic Club with up to five (5) access cards for the secure entry system to the community room.
 - b. Provide the Civic Club with at least nine (9) months prior written notice of the Districts' intent to entirely vacate the fire station building located on the Property.
 - c. Maintain and repair the structural items related to the community room when needed so as to keep the community room in a clean and attractive condition and in good condition and repair throughout the term of this Agreement. The District's duties extend to the structural items related to the community room.
6. Civic Club's Duties. The Civic Club will have the following additional duties:
- a. Civic Club will use and occupy the community room solely for uses in line with the intention of this Agreement and will not cause or permit any use that is not permitted by federal, state, or local codes or that would be in conflict with the District's policies or use of the remainder of the building as a fire station.
 - b. Civic Club will not cause or permit any waste, damage, disfigurement, or injury to the Property or the community room.
 - c. Maintain and repair the nonstructural items related to the community room when needed so as to keep the community room in a clean and attractive condition and in good condition and repair throughout the term of this Agreement. The Civic Club's duties under this subsection extend only to the non-structural items related to the community room.
7. Payment of Taxes. The District is a special district and, as such, is not subject to payment of property taxes.

8. Utilities. The District and The Civic Club will share equally the cost of maintaining the shared septic system to insure a sanitary and efficient system.
 - a. The District will provide and pay, directly to the appropriate supplier, for all water, gas, electric, public Wi-Fi, garbage pickup for the fire station, and all other utilities and services used by the District and through use of the community room as they become due from and after the Effective Date.

9. Insurance. The Civic Club, at its cost and expense, will keep the community room and its contents insured against loss or damage by property insurance issued in a standard form policy. The Civic Club will maintain property insurance in an amount that will cover the full replacement of the existing fire station building.
 - a. The Civic Club, at its cost and expense, will maintain commercial general liability insurance covering the Property and the conduct or operation of the community room as intended by the Parties to this Agreement. Said liability insurance will have limits of loss of at least \$2 million combined single-limit coverage for personal injury and property damage. The liability insurance policy must name the District as an additional insured.

 - b. The providers of both types of insurance must be reputable insurance companies reasonably acceptable to the District, licensed to do business in the State of Oregon, and have a minimum A-VIII rating. The Civic Club will provide the District with certificates of insurance upon the District's request.

 - c. The District maintains and will continue to maintain appropriate property and liability insurance for the Property.

10. Indemnification. Subject to the tort limitations in the Oregon Tort Claims Act and the Oregon Constitution, each party to this Agreement, unless caused by the gross negligence or willful misconduct of the other party, agrees to indemnify, defend and hold the other party harmless from and against any and all liabilities, obligations, damages, fines, penalties, claims, costs, charges, and expenses (including, without limitation, reasonable attorney fees) that may be imposed on or incurred by or asserted against a party by reason of any actions or failures to act related to performance under this Agreement, including but not limited to:
 - a. Any work or thing done in, on, or about all or any part of the Property or the community room;

 - b. Any use, nonuse, possession, occupation, condition, operation, maintenance, or management of all or any part of the Property or the community room or any adjacent alley, sidewalk, curb, vault, passageway, or space;

- c. Any negligence on the part of the parties or their agents, contractors, servants, employees, subtenants, licensees, or invitees;
- d. Any accident, injury, or damage to any person or property occurring in, on, or about the Property or the community room.

Nothing in this section is intended to enlarge the scope of the terms of this agreement regarding the Civic Club's use and access of the existing fire station building.

11. Signage. The Civic Club is authorized to install signage on the Property for the community room as long as the signage complies with all applicable local codes or ordinances.
12. Damage or Destruction. If any portion of the Property, the community room, or both are damaged or destroyed by fire or other casualty, the Parties agree to work together along with their insurance companies to promptly restore the Property, the community room, or both to a comparable condition existing before the casualty or will promptly remove all damage and leave the Property, the community room, or both in a clean, attractive, and safe condition.
13. Term. The term of this Agreement will commence as of the Effective Date and will continue until the end of the nine (9) months' notice referenced in Section 5(b) of this Agreement.
14. Default. The occurrence of any one or more of the following constitutes an event of default under this Agreement and will result in termination of the Agreement:
 - a. Failure by the Civic Club to maintain adequate insurance.
 - b. Failure by the Civic Club, whether by action or inaction, to comply with any term or condition of this Agreement or fulfill any obligation under this Agreement and such failure is not remedied within thirty (30) days after written notice thereof is given to the Civic Club by the District.
15. No Waiver. Failure by the Parties to insist on the strict performance of this Agreement or to exercise any right or remedy will not constitute a waiver.
16. Notices. Any notice required or permitted by the terms of this Agreement will be deemed given if delivered personally, sent by United States registered or certified mail, postage prepaid, return receipt requested, and addressed as follows:

If to the District: _____

If to the Civic Club: Kevin P Reedy, President

Damascus Civic Club
20060 SE Hwy 212
Damascus, OR 97089

Each of the Parties have approved of this Agreement at meetings of their boards of directors and authorize the following signers to bind the Parties to this Agreement.

Clackamas County Fire District No. 1

Damascus Civic Club

By: _____

By: _____

Printed: _____

Printed: _____

Its: _____

Its: _____

EXHIBIT A
Legal Description of the Property

Section 08 Township 2S Range 3E Quarter A TAX LOT 00390 SEE
RELATED TAX LOT 00300

**USE AGREEMENT
BETWEEN CLACKAMAS FIRE DISTRICT NO. 1
AND THE DAMASCUS CIVIC CLUB**

This USE AGREEMENT (this "Agreement") is made and entered into on _____, 20__ (the "Effective Date"), by and between the Clackamas Fire District No. 1 (the "District") and the Damascus Civic Club ("Civic Club") (collectively referred to as "the Parties").

RECITALS

—The District ~~owns and~~ operates a fire station facility located at 20100 SE Highway 212,

A. Damascus, OR 97089 and described in more detail in Exhibit A (the "Property"); and

A. The Parties desire to make available a community room within the fire station and B. located on the Property to be used and managed by the Civic Club in accordance with the community's vision for the Property.—

C. The Parties desire that the Civic Club shall be allowed to generate income from their use of the community room.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to this Agreement as follows:

~~1.6.~~ Community Room. The community room will be a 26 foot by 26 foot area (676 1. square feet) located in the existing rear (south end) of the Property in the existing building on the Property and ~~will~~shall include a bathroom and kitchenette with an access door leading to the parking lot.

~~1.6.~~ Construction and Availability of Community Room. The District ~~will~~shall cause 2. all construction and preparation work required to create the community room to be completed within six (6) months of the District's receipt of a certificate of occupancy from Clackamas County for the new fire station located on Damascus Lane—, Damascus, Oregon. Anticipated receipt of the certificate of occupancy is February, 2019. The new community room ~~will~~shall comply with applicable building codes and accessibility standards, including ADA requirements.

~~a.~~ Public Work. Construction of the community room may constitute a public a. work as defined under Oregon law, and, if so, ~~will~~shall be subject to all applicable laws relating to public works.

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~~—Use of Community Room.—~~ Civic Club ~~will~~shall have priority in use of the community

~~3. meeting~~ room along with the following duties ~~and~~ responsibilities and benefits:

- a. Purchasing and stocking all necessary supplies for the community room, including kitchenette supplies and restroom supplies, at the Civic Club's sole cost and expense.
- b. The Civic Club will serve as the public contact for use of the community room and will manage and maintain a schedule of use and reservation of the community room that is regularly updated ~~and complies with District policies~~.
- c. The Civic Club shall have the right to generate rental income from their use of the community room.

~~2.—District's Access to Community Room.—~~ The District ~~will retain unrestricted~~shall have access

~~4.~~ to the community room subject to the Civic Club's priority for use of the room as set forth in prior scheduled events, and ~~will~~shall continue to maintain and occupy the remainder of the existing fire station for the District's use and operate the building as a fire station facility.

~~3-5.~~ District's Duties.— The District ~~will~~shall have the following additional duties:

- a. Provide the Civic Club with up to five (5) access cards for the secure entry system to the community room.
- b. Provide the Civic Club with at least nine (9) months prior written notice of the Districts' intent to entirely vacate the fire station building located on the Property.
- c. Maintain and repair the structural items related to the community room when needed so as to keep the community room in a clean and attractive condition and in good condition and repair throughout the term of this Agreement.— The District's duties shall extend to the structural items related to the community room.—

~~4-6.~~ Civic Club's Duties.— The Civic Club ~~will~~shall have the following additional duties:

- a. Civic Club will use and occupy the community room solely for uses in line with the intention of this Agreement and will not cause or permit any use that is not permitted by federal, state, or local codes or that would be in conflict with the District's policies or use of the remainder of the building as a fire station.

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- b. Civic Club will not cause or permit any waste, damage, disfigurement, or injury to the Property or the community room.
- c. Maintain and repair the nonstructural items related to the community room when needed so as to keep the community room in a clean and attractive condition and in good condition and repair throughout the term of this Agreement. The Civic Club's duties under this subsection shall extend only to the non-structural items related to the community room.

~~5-7.~~ Payment of Taxes. The District is a special district and, as such, is not subject to payment of property taxes.

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~~6-8.~~ Utilities. The District and ~~The~~the Civic Club ~~will~~shall share equally the cost of maintaining the shared septic system to insure a sanitary and efficient system.

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~~b.~~ The District ~~will~~shall provide and pay, directly to the appropriate supplier, for all water, gas, electric, public Wi-Fi, garbage pickup for the fire station, and all other utilities and services used by the District and through use of the community room as they become due from and after the Effective Date.

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~~8-9.~~ Insurance. The ~~Civic Club~~District, at its sole cost and expense, ~~will~~shall keep the community room and its contents insured against loss or damage by property insurance issued in a standard form policy. The ~~Civic Club~~ District shall maintain property insurance in an amount that ~~will~~shall cover the full replacement of the existing fire station building.

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a. The ~~Civic Club~~District, at its cost and expense, ~~will~~shall maintain commercial general liability insurance covering the Property and the conduct or operation of the community room as intended by the Parties to this Agreement. Said liability insurance ~~will~~shall have limits of loss of at least \$2 million combined single-limit coverage for personal injury and property damage. The liability insurance policy ~~must~~shall name the ~~District~~Civic Club as an additional insured.

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~~e-b.~~ The providers of both types of insurance ~~must~~shall be reputable insurance companies reasonably acceptable to the District, licensed to do business in the State of Oregon, and have a minimum A-VIII rating. The ~~Civic Club~~ District shall provide the ~~District~~Civic Club with certificates of insurance upon the ~~District's~~Civic Club's request.

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~~i. The District maintains and will continue to maintain appropriate property and liability insurance for the Property.~~

~~44.10. Indemnification.~~ Subject to the tort limitations in the Oregon Tort Claims Act and the Oregon Constitution, each party to this Agreement, unless caused by the gross negligence or willful misconduct of the other party, agrees to indemnify, defend and hold the other party harmless from and against any and all liabilities, obligations, damages, fines, penalties, claims, costs, charges, and expenses (including, without limitation, reasonable ~~attorneyattorney's~~ fees) that may be imposed on or incurred by or asserted against a party by reason of any actions or failures to act related to performance under this Agreement, including, but not limited to:

- a. Any work or thing done in, on, or about all or any part of the Property or the community room;
- b. Any use, nonuse, possession, occupation, condition, operation, maintenance, or management of all or any part of the Property or the community room or any adjacent alley, sidewalk, curb, vault, passageway, or space;
- c. Any negligence on the part of the parties or their agents, contractors, servants, employees, subtenants, licensees, or invitees;
- d. Any accident, injury, or damage to any person or property occurring in, on, or about the Property or the community room.

~~Nothing in this section is intended to enlarge the scope of the terms of this agreement Agreement~~ regarding the Civic Club's use and access of the existing fire station building.

~~42.11. Signage.~~ The Civic Club is ~~hereby~~ authorized to install signage on the Property for the community room as long as the signage complies with all applicable local codes or ordinances.

~~43.12. Damage or Destruction.~~ If any portion of the Property, the community room, or both are damaged or destroyed by fire or other casualty, the Parties agree to work together along with their insurance companies to promptly restore the Property, the community room, or both to a comparable condition existing before the casualty or will promptly remove all damage and leave the Property, the community room, or both in a clean, attractive, and safe condition.

~~44.13. Term.~~ The term of this Agreement ~~willshall~~ commence as of the Effective Date ~~hereof~~ and ~~willshall~~ continue until the end of ~~three (3) years immediately following the nine (9) months' notice referenced in Section 5(b)District's receipt of a certificate of occupancy from Clackamas County for the new fire station on Damascus Lane.~~

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Damascus, Oregon, at which time this Use Agreement shall terminate and the entire property shall revert to sole ownership and use of the Civic Club.

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~~45-14.~~ Default. The occurrence of any one or more of the following constitutes an event of default under this Agreement and ~~will~~shall result in termination of the Agreement:

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- a. Failure by the ~~Civic Club~~District to maintain adequate insurance.
- b. Failure by the ~~Civic Club~~District, whether by action or inaction, to comply with any term or condition of this Agreement or fulfill any obligation under this Agreement and such failure is not remedied within thirty (30) days after written notice thereof is given to the District by the Civic Club ~~by the District.~~

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~~46-15.~~ No Waiver. Failure by the Parties to insist on the strict performance of this Agreement or to exercise any right or remedy will not constitute a waiver.

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16. Additional No Waiver. Nothing in this Use Agreement shall be construed as altering that certain Warranty Deed dated May 18, 1976, instrument number 76-16768 as recorded in Clackamas County deed records, with the exception of the terms and conditions set forth in Paragraph 13 above which sets forth termination of this Use Agreement by operation of its language.

///

///

17. Notices. Any notice required or permitted by the terms of this Agreement will be deemed given if delivered personally, sent by United States registered or certified mail, postage prepaid, return receipt requested, and addressed as follows:

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If to the District: - _____

-
If to the Civic Club: - Kevin P Reedy, President
_____ Damascus Civic Club
_____ 20060 SE Hwy 212
_____ Damascus, OR 97089

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-
- Each of the Parties have approved of this Agreement at meetings of their boards of directors and authorize the following signers to bind the Parties to this Agreement.
-

Clackamas County Fire District No. 4 _____ 1 _____ Damascus Civic Club

By: _____ By:

Printed: _____ Printed:

Its: _____ Its: _____

Its:

Its:

-
-

EXHIBIT A
Legal Description of the Property

Section 08 Township 2S Range 3E Quarter A TAX LOT 00390 SEE RELATED TAX

~~LOT 00300~~

LOT 00300

-

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Memo

TO: Board of Directors
FROM: Chief Charlton
DATE: April 10, 2019
RE: April 15 Board Work Session Discussion – 2019 Legislative Session

Attached you will find two proposed bills that staff would like reviewed and discussed at the Board of Directors' Work Session.

The first is House Bill 3099 (HB3099) related to the giving authorization of a city that was annexed into a special district to petition the county board for withdrawal from that district. For discussion purposes related to this bill, the Fire District was formed under ORS 478 and the City of Milwaukie (Resolution 04-03) and the City of Oregon City (Resolution 07-04) were annexed into the Fire District under ORS 198.866.

The second is House Bill 2174 (HB2174) related to urban renewal plans proposed on or after July 1, 2019, that includes public building project(s), requires concurrence of at least three of the four taxing districts estimated to forgo the most property tax revenue under the proposed plan.

Both of these bills have been discussed previously with the Boards Legislative Committee and staff is asking for additional discussion.

House Bill 3099

Sponsored by Representatives BYNUM, DRAZAN; Representative MCLAIN, Senators OLSEN, THOMSEN

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Authorizes city that was annexed into special district to petition county board for withdrawal from district. Provides that if city that was annexed into special district upon election called only in such city wishes to withdraw from district, election called to withdraw city from district shall also be held only in city. Changes requirement that withdrawal petition must be approved or denied depending on feasibility of providing district service to territory described in petition to option for county board to approve or deny petition based on feasibility.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to the withdrawal of the territory of a city from a special district; amending ORS 198.870
3 and 198.875; and declaring an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 198.870 is amended to read:

6 198.870. (1)(a) [*When*] **Whenever** a plan for district improvements is adopted, or **at** any time
7 more than two years after the date of formation of a district or, **if petitioner's property is located**
8 **within territory annexed into a district**, after the date of annexation of **the** territory to [*a*] **the**
9 district [*if petitioner's property is located within the territory annexed*], an owner of land included in
10 a district may petition the county board for withdrawal of the property of the owner from the dis-
11 trict.

12 (b) If the electors of an area within a district wish to withdraw from the district, they may file
13 a petition with the county board.

14 (c) **If the governing body of a city that was annexed into a district under ORS 198.866**
15 **wishes to withdraw the city from the district, the governing body may petition the county**
16 **board for withdrawal of the territory of the city from the district.**

17 (2) Petitioners shall cause notice of the petition filing to be given in writing to the district
18 secretary. Within five days after the petition is filed, petitioners shall furnish the secretary with a
19 copy of the petition as filed.

20 (3) Except as provided by ORS 198.875, ORS 198.800 to 198.820 apply to proceedings for with-
21 drawal and to the rights, powers and duties of the petitioners and other persons having an interest
22 in the proceeding.

23 (4) **Unless an election is required under ORS 198.875**, the county board may approve the pe-
24 tition as presented or it may adjust the boundaries and approve the petition. The petition [*shall*]
25 **may** be approved if it has not been, [*or*] is not or would not be[,] feasible for the territory described
26 in the petition to receive service from the district. The petition [*shall*] **may** be denied if it appears
27 that it is[,] or would be[,] feasible for the territory described in the petition to receive service from
28 the district.

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 **SECTION 2.** ORS 198.875 is amended to read:

2 198.875. (1) At the time and place set for the final hearing upon [*the*] a withdrawal petition, if
3 the required number of written requests for an election on the proposed withdrawal have not been
4 filed, the county board shall enter an order withdrawing the described area from the district.

5 (2)(a) **Except as provided in paragraph (b) of this subsection,** if the required number of re-
6 quests for an election are filed on or before the final hearing, the county board shall call an election
7 in the district upon the question of the withdrawal of the area.

8 **(b) If the withdrawal petition relates to the territory of a city that was annexed into the**
9 **district upon an election held only in the city under ORS 198.866 (3) and (7), an election to**
10 **withdraw the territory of the city from the district shall also be held only in the city.**

11 (3) If an election is called and a majority of the votes cast at the election is in favor of the
12 withdrawal of the designated area from the district, the county board shall enter an order with-
13 drawing the area from the district. If the majority of the votes cast is against withdrawal, the
14 county board shall enter an order declaring the results of the election. In either case, the county
15 board shall cause a copy of the order to be filed with the secretary of the district.

16 **SECTION 3. This 2019 Act being necessary for the immediate preservation of the public**
17 **peace, health and safety, an emergency is declared to exist, and this 2019 Act takes effect**
18 **on its passage.**

19

Chapter 451 — County Service Facilities

2017 EDITION

COUNTY SERVICE FACILITIES

PUBLIC HEALTH AND SAFETY

GENERAL PROVISIONS

451.010 Authorization to establish master plans and service districts; purposes

MASTER PLANS

451.110 Definitions for ORS 451.110 to 451.140

451.120 Master plans for development of service facilities

451.130 Conformity to master plan; approval

451.140 Powers of county court under ORS 451.110 to 451.140

SERVICE DISTRICTS

451.410 Definitions for ORS 451.410 to 451.610

451.420 District may construct and operate service facilities

451.435 Law governing district formation or change

451.440 Plans for service facilities

451.445 Formation of district upon finding of health hazard; assessment

451.472 District to construct and operate only authorized service facilities; additional authority; requirements for provision of drainage works

451.485 Governing body of district; order preliminary to construction

451.487 Referendum on order; election

451.490 Methods of financing service facilities

451.492 Financing portion of connection charges; lien

451.495 Ordinance governing certain assessments

- 451.500 Charges and fees for financing service facilities
- 451.510 Collection of service charges
- 451.520 Assessments to be entered on lien docket; foreclosure for failure to pay; reassessments
- 451.540 Tax levy for financing service facilities; hearing
- 451.542 Filing boundary change with county assessor and Department of Revenue
- 451.545 Bond issue for financing service facilities
- 451.547 Tax levies authorized
- 451.550 Powers of district under ORS 451.410 to 451.610
- 451.555 Districts formed to provide comprehensive planning services; adoption of land use plans; advisory committees
- 451.560 Agreements for cooperative financing of service facilities or for use, lease or joint operation of service facilities
- 451.570 Regulations for sewage disposal, solid waste disposal, street cleaning and other authorized purposes
- 451.572 Certain special districts excluded from water supply county service districts
- 451.573 Definitions for ORS 451.573 to 451.577
- 451.575 Withdrawal of special district before formation of or annexation to county service district; debt distribution plan; delivery of assets and records
- 451.577 Dissolution of special district; service district to succeed
- 451.580 Disposition of moneys received under ORS 451.410 to 451.610
- 451.585 Duty of city when all or part of district incorporated or annexed
- 451.590 Entry upon privately owned lands to survey or lay out service facilities
- 451.600 Restrictions on altering, repairing or connecting with a service facility
- 451.605 Formation of district for emergency communications system
- 451.610 Advisory committee for emergency communications system

451.620 Procedures for district formed subject to specified dissolution date

PENALTIES

451.990 Penalties

GENERAL PROVISIONS

451.010 Authorization to establish master plans and service districts; purposes. (1)
Master plans and service districts may be established as provided by this chapter regarding:

(a) Sewage works, including all facilities necessary for collecting, pumping, treating and disposing of sanitary or storm sewage.

(b) Drainage works, including all facilities necessary for collecting, pumping and disposing of storm and surface water.

(c) Street lighting works, including all facilities necessary for the lighting of streets and highways.

(d) Public parks and recreation facilities, including land, structures, equipment, supplies and personnel necessary to acquire, develop and maintain such public park and recreation facilities and to administer a program of supervised recreation services.

(e) Diking and flood control works, including all facilities necessary for diking and control of watercourses.

(f) Water supply works and service, including all facilities necessary for tapping natural sources of domestic and industrial water, treating and protecting the quality of the water and transmitting it to the point of sale to any person, city, domestic water supply corporation or other public or private agency for domestic, municipal and industrial water supply service.

(g) Solid waste disposal. This paragraph does not apply in Clackamas, Multnomah and Washington Counties.

(h) Public transportation, including public depots, public parking and the motor vehicles and other equipment necessary for the transportation of persons together with their personal property.

(i) Agricultural educational extension services.

(j) Emergency medical services, including ambulance services.

(k) Library services.

(L) Roads.

(m) Services related to the emergency communications system established under ORS 403.105 to 403.250.

(n) Law enforcement services.

(o) Human services.

(p) Cemetery maintenance.

(q) Animal control.

(2) Within the geographical jurisdiction of any local government boundary commission established by or pursuant to ORS 199.410 to 199.519, in addition to the purposes described in subsection (1) of this section, master plans and service districts may be established as provided by this chapter regarding:

(a) Fire prevention and protection.

(b) Hospital and ambulance services.

(c) Vector control.

(d) Weather modification.

(3) Within the boundaries of any subdivision, service districts may be established as provided by this chapter regarding:

(a) Fire prevention and protection.

(b) Security services provided by contract with an association of homeowners whose property is located entirely within the boundaries of the service district, which services may include the enforcement of the rules or regulations of the association dealing with public access to or the use of the property of the association, routine patrolling and inspection of private areas located within the jurisdiction of the association and matters of traffic and safety within such areas.

(c) Law enforcement services.

(d) Hospital and ambulance services.

(e) Vector control.

(f) Activities set forth in subsection (1)(a), (f), (g), (j) and (m) of this section.

(4) As used in subsection (3) of this section, “subdivision” means a subdivision as defined by ORS 92.010 or any contiguous group of such subdivisions that:

(a) Is a planned community within the meaning of ORS 94.550 without regard to whether such subdivision or group of subdivisions is subject to ORS 94.550 to 94.783;

(b) Is located entirely within an unincorporated area and is everywhere separated by a distance of five miles or more from an urban growth boundary described in an acknowledged comprehensive plan of a city or the urban growth boundary adopted by a metropolitan service district under ORS 268.390 (3); and

(c) Prior to the establishment of a service district under subsection (3) of this section, is designated a subdivision for purposes of this subsection by the governing body of the county in which the subdivision or group of subdivisions is located.

(5) Within the boundaries of Washington County, master plans and service districts may be established as provided by this chapter regarding water resource management services that affect the quality and quantity of water within a single watershed, basin or planning area. As used in this subsection, “water resource management services” means:

(a) Planning for and provision of two or more services or facilities such as sewage works, drainage works, surface water management, endangered species recovery management, water quality management, diking and flood control works, river flow management, water supply works, wastewater reuse and irrigation facilities.

(b) Activities ancillary to the services and facilities listed in paragraph (a) of this subsection, including facilities for the production, sale or purchase of energy when such facilities are integrated in a master plan adopted under ORS 451.120. [1963 c.515 §2; 1965 c.246 §1; 1967 c.538 §1; 1971 c.674 §1; 1971 c.687 §1; 1973 c.211 §1; 1973 c.785 §1; 1975 c.630 §1; 1977 c.60 §1; 1977 c.287 §1; 1979 c.221 §1; 1985 c.472 §1; 1987 c.525 §1; 1989 c.668 §1; 1989 c.793 §24; 1995 c.303 §2; 1999 c.166 §1; 1999 c.677 §66; 1999 c.759 §1; 2005 c.101 §1; 2005 c.510 §1; 2015 c.247 §34]

MASTER PLANS

451.110 Definitions for ORS 451.110 to 451.140. As used in ORS 451.110 to 451.140, unless the context indicates otherwise:

(1) “County court” includes the board of county commissioners.

(2) “Service facilities” means public service installations, works or services provided within a county for any or all of the purposes specified in ORS 451.010. [1955 c.509 §1; 1963 c.515 §3; 1967 c.249 §1; 1973 c.785 §2]

451.120 Master plans for development of service facilities. (1) The county court of any county may, for the protection of the health, safety and general welfare, prepare and adopt coordinated master plans for the development of service facilities:

(a) To serve unincorporated areas in the county; and

(b) For a service district established under ORS 451.410 to 451.600 and for which the county court serves as governing body, to serve all areas within or served by the district.

(2) Master plans adopted under this section shall be coordinated with the comprehensive plans of the affected cities and counties. [1955 c.509 §2; 1961 c.576 §1; 1963 c.515 §4; 1973 c.785 §3; 1989 c.429 §1]

451.130 Conformity to master plan; approval. After a coordinated master plan has been adopted under ORS 451.120, the county court may enforce such plan by requiring that plans for the installation or operation of service facilities in areas under county jurisdiction outside the boundaries of cities or in areas within or served by a service district be submitted to the county court for approval, and that such installation or operation shall conform to the master plan. [1955 c.509 §3; 1961 c.576 §2; 1963 c.515 §5; 1969 c.646 §1; 1989 c.429 §2]

451.140 Powers of county court under ORS 451.110 to 451.140. In carrying out the powers granted to the county court under ORS 451.110 to 451.140, the county court may:

(1) Conduct such surveys and investigations as may be necessary to develop coordinated master plans as provided in ORS 451.120.

(2) Provide for the administration and enforcement of such master plans by engineering analysis, inspection or other appropriate means.

(3) Enter into contracts or agreements with cities, other counties or county service districts for public transportation, the federal government, state agencies, the special districts enumerated in ORS 451.573 or any person or private corporation for a period not to exceed 30 years for the cooperative financing of the preparation and enforcement of coordinated master plans as provided in ORS 451.120 and 451.130.

(4) Levy and collect taxes for the purpose of providing funds to prepare and enforce coordinated master plans as provided in ORS 451.120 and 451.130.

(5) Expend funds for such surveys, investigations and studies as may be necessary for the preparation and enforcement of such master plans. [1955 c.509 §4; 1961 c.576 §3; 1963 c.515 §6; 1973 c.211 §2; 1973 c.785 §4]

SERVICE DISTRICTS

451.410 Definitions for ORS 451.410 to 451.610. As used in ORS 451.410 to 451.610, unless the context indicates otherwise:

(1) “Change of organization” has the meaning given that term in ORS 198.705.

(2) “County” has the meaning given that term in ORS 198.705.

(3) “County court” includes the board of county commissioners.

(4) “District” means a county service district established under ORS 451.410 to 451.610 to provide service facilities in a county or counties.

(5) “Formation” has the meaning given that term in ORS 198.705.

(6) “Owner” means the record owner of real property or the holder of a duly recorded contract for purchase of real property within the district.

(7) “Service facilities” means public service installations, works or services provided within a county or counties for any or all of the purposes specified in ORS 451.010. [1955 c.685 §1; 1961 c.576 §4; 1963 c.515 §7; 1967 c.538 §2; 1973 c.785 §5; 1975 c.630 §2; 2003 c.14 §274; 2003 c.802 §123]

Chapter 198 — SPECIAL DISTRICTS GENERALLY
MISCELLANEOUS MATTERS
2017 EDITION

Special Districts Generally

GENERAL PROVISIONS

- 198.010 “District” defined for chapter
- 198.115 Barring district employees from membership on governing board
- 198.180 “District” defined for ORS 198.190
- 198.190 Compensation and expenses of governing body members
- 198.210 “District” defined for ORS 198.220
- 198.220 Bond or letter of credit for member of district governing body
- 198.310 “District” defined for ORS 198.320
- 198.320 Filling of vacancies on governing bodies of certain districts

DISSOLUTION OF INACTIVE DISTRICTS

- 198.335 Definitions for ORS 198.335 to 198.365
- 198.340 Designation of registered office and agent
- 198.345 Effect of failure to file certain reports
- 198.350 Financial statement
- 198.355 Hearing on dissolution; notice
- 198.360 Continuation or termination of district; proceedings for county service district
- 198.365 County board as trustees for inactive district; distribution of assets; levy of tax to meet debts; delivery of records

RECALL

- 198.410 Definition for ORS 198.425 and 198.430
- 198.425 Recall of district officers generally
- 198.430 Recall of officers of districts other than districts defined in ORS 255.012
- 198.440 Statement of justification from affected officer

ORDINANCES AND REGULATIONS

- 198.510 Definitions for ORS 198.510 to 198.600

- 198.530 Procedure for adopting, amending or repealing ordinances or regulations
- 198.540 Notice prior to adoption of ordinance affecting regulation
- 198.550 Publication of ordinance; emergency ordinance procedure
- 198.560 Filing of ordinance; notice of adoption of emergency ordinance
- 198.570 When ordinances take effect
- 198.590 Petition to adopt, amend or repeal ordinance
- 198.600 Penalty for violation of regulations; jurisdiction; enforcement
- MISCELLANEOUS
- 198.605 Local service districts
- 198.608 Unfunded PERS liability or surplus upon split, consolidation or merger of districts
- 198.611 Power of district to contract for purchase or lease of real or personal property
- FORMATION; CHANGES OF ORGANIZATION
(Generally)
- 198.705 Definitions for ORS 198.705 to 198.955
- 198.715 Short title; procedure for formation or change of organization
- 198.720 Boundaries; filing boundary change with county assessor and Department of Revenue
- 198.725 Procedure when two counties affected
- 198.727 Merger or consolidation; procedure when city joined to merged or consolidated districts
- 198.730 Notice
- 198.735 Right of interested person to appear; written statements
- 198.740 Election procedure governed by law under which district operates; omission governed by district or general election law
- 198.745 Content of resolution calling election
- 198.747 Effective date of boundary change; filing boundary change with county assessor and Department of Revenue
- 198.748 Prospective petition for formation; filing; content

- 198.749 Economic feasibility statement for district formation
 - 198.750 Content of petition proposing formation or change of organization
 - 198.755 Number of signatures required
 - 198.760 Requirements for signers of petition; signer's withdrawal prohibited; chief petitioners designated
 - 198.765 Requirements for filing petition; validity and certification of signatures
 - 198.770 Method of determining validity of landowner signatures
 - 198.775 Security deposit to accompany petition; payment of costs from security deposit; payment of costs by county or district
 - 198.780 Filing of duplicates of certain documents
 - 198.782 Documents to be filed with Secretary of State before business transacted
 - 198.785 Proceeding to contest validity of formation or change of organization
 - 198.790 Rights of creditors after change of organization; enforcement
 - 198.792 District formation or annexation proceedings to relieve public health danger
 - 198.793 Change of district name
 - 198.794 Effect of district name change; notification to certain officials
- (Formation)
- 198.795 Jurisdiction over district formation; duration of jurisdiction
 - 198.800 Formation petition; hearing; notice of hearing
 - 198.805 Conduct of hearing; standards for formation; notice to nonappearing landowner; order for dissolution
 - 198.810 Order for formation; final hearing; election; voter approval to incur bonded indebtedness
 - 198.813 Formation of county service district for water management services in Washington County; dissolution of existing districts

- 198.815 Election on formation; notice; ballot title when dissolution ordered; election of first board
- 198.820 Order by county board; effect of formation
- 198.825 Election of first members of board when no formation election required
- 198.830 Petition for formation by all landowners in proposed district
- 198.835 Order for formation of district in single county; order for exercise of additional function by county service district; contents of order
- 198.840 Notice of hearing
- 198.845 Costs

(Annexation)

- 198.850 Annexation petition or resolution; delayed effective date for certain annexations
- 198.855 Annexation election; annexation without election when petition signed by all landowners or by majority of electors and owners of more than half of land
- 198.857 Annexation without election by petition of landowner
- 198.860 Effect of annexation order; debt distribution plan; permanent rate limit and local option taxes
- 198.866 Annexation of city to district; approval of annexation proposal; election
- 198.867 Approval of annexation to district by electors of city and district; certification; effect of annexation
- 198.869 Annexation contract; recordation; effect

(Withdrawal)

- 198.870 Petition for withdrawal of property from district
 - 198.875 Election on withdrawal petition
 - 198.880 Effect on withdrawn area
 - 198.882 Tax relief to withdrawn area; conditions for relief; ultimate liability
- (Merger; Consolidation)
- 198.885 Merger of districts; effect
 - 198.890 Consolidation of districts; effect

- 198.895 Initiation of merger and consolidation; procedure when city included in merger or consolidation
- 198.900 Content of petition for annexation, merger or consolidation
- 198.902 Application of district petition requirements to cities
- 198.903 Joint assembly of governing bodies of affected districts or cities; order for election; contents
- 198.905 Certification of election results
- 198.910 Joint meeting of governing bodies of merged or consolidated districts and cities; election of board members for surviving or successor district; terms
- 198.912 Apportionment of board members for certain surviving or successor districts
- 198.915 Election of board members at regular district election
- (Dissolution)
- 198.920 Dissolution procedure
- 198.925 Findings of fact by district board
- 198.927 Annexation of dissolved district
- 198.930 Plan for dissolution and liquidation
- 198.935 Election on dissolution; consent of creditors; content of notice
- 198.940 Dissolution without election
- 198.945 Trustees for dissolved district; records to county clerk; limitation on further elections
- 198.950 Power of trustees to convey assets
- 198.955 Disposition of assets; rules

GENERAL PROVISIONS

198.010 “District” defined for chapter. As used in this chapter, except as otherwise specifically provided, “district” means any one of the following:

- (1) A people’s utility district organized under ORS chapter 261.

- (2) A domestic water supply district organized under ORS chapter 264.
- (3) A cemetery maintenance district organized under ORS chapter 265.
- (4) A park and recreation district organized under ORS chapter 266.
- (5) A mass transit district organized under ORS 267.010 to 267.390.
- (6) A metropolitan service district organized under ORS chapter 268.
- (7) A special road district organized under ORS 371.305 to 371.360.
- (8) A road assessment district organized under ORS 371.405 to 371.535.
- (9) A highway lighting district organized under ORS chapter 372.
- (10) A health district organized under ORS 440.305 to 440.410.
- (11) A sanitary district organized under ORS 450.005 to 450.245.
- (12) A sanitary authority, water authority or joint water and sanitary authority organized under ORS 450.600 to 450.989.
- (13) A vector control district organized under ORS 452.020 to 452.170.
- (14) A rural fire protection district organized under ORS chapter 478.
- (15) An irrigation district organized under ORS chapter 545.
- (16) A drainage district organized under ORS chapter 547.
- (17) A water improvement district organized under ORS chapter 552.
- (18) A water control district organized under ORS chapter 553.
- (19) A weather modification district organized under ORS 558.200 to 558.440.
- (20) A port organized under ORS 777.005 to 777.725 and 777.915 to 777.953.
- (21) A geothermal heating district organized under ORS chapter 523.
- (22) A transportation district organized under ORS 267.510 to 267.650.
- (23) A library district organized under ORS 357.216 to 357.286.
- (24) A 9-1-1 communications district organized under ORS 403.300 to 403.380.

(25) A heritage district organized under ORS 358.442 to 358.474.

(26) A radio and data district organized under ORS 403.500 to 403.542.

(27) A sand control district organized under ORS 555.500 to 555.535. [1971 c.23 §2; 1975 c.782 §48; 1977 c.756 §1; 1981 c.226 §18; 1987 c.671 §10; 1987 c.863 §10; 1989 c.793 §19; 1993 c.577 §15; 2007 c.562 §19; 2009 c.584 §20; 2015 c.560 §7]

A-Engrossed
House Bill 2174

Ordered by the House April 4
Including House Amendments dated April 4

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Economic Development and Trade)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

For urban renewal plan proposed on or after *[July 1, 2019]* **effective date of Act**, that includes public building project, requires concurrence of at least three of four taxing districts estimated to forgo most property tax revenue under proposed plan.

Requires notice of hearing on proposed urban renewal plan or substantial amendment or change to plan to contain statement that adoption may affect property tax rates for standard rate urban renewal plans or reduced rate plans whose consolidated billing tax rate includes tax pledged to repay exempt bonded indebtedness approved on or before October 6, 2001. Excludes from consolidated billing tax rate of urban renewal plans adopted or amended on or after effective date of Act tax pledged to repay exempt bonded indebtedness approved on or after effective date of Act.

Provides that for purposes of 20 percent limit on amount of land added by amendments to total land area of original urban renewal plan, calculation of total land area excludes reductions of land area made after original plan was adopted.

Requires urban renewal agency's annual statement to include maximum indebtedness for each urban renewal area included in urban renewal plan of agency, including amount of indebtedness incurred through end of preceding fiscal year. Requires statement to be distributed to each taxing district affected by urban renewal plan of agency.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to urban renewal; creating new provisions; amending ORS 457.010, 457.085, 457.095, 457.120,
3 457.220, 457.445 and 457.460; and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 457.010 is amended to read:

6 457.010. As used in this chapter, unless the context requires otherwise:

7 (1) "Blighted areas" means areas that, by reason of deterioration, faulty planning, inadequate
8 or improper facilities, deleterious land use or the existence of unsafe structures, or any combination
9 of these factors, are detrimental to the safety, health or welfare of the community. A blighted area
10 is characterized by the existence of one or more of the following conditions:

11 (a) The existence of buildings and structures, used or intended to be used for living, commercial,
12 industrial or other purposes, or any combination of those uses, that are unfit or unsafe to occupy
13 for those purposes because of any one or a combination of the following conditions:

14 (A) Defective design and quality of physical construction;

15 (B) Faulty interior arrangement and exterior spacing;

16 (C) Overcrowding and a high density of population;

17 (D) Inadequate provision for ventilation, light, sanitation, open spaces and recreation facilities;

18 or

19 (E) Obsolescence, deterioration, dilapidation, mixed character or shifting of uses;

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

- 1 (b) An economic dislocation, deterioration or disuse of property resulting from faulty planning;
2 (c) The division or subdivision and sale of property or lots of irregular form and shape and in-
3 adequate size or dimensions for property usefulness and development;
4 (d) The laying out of property or lots in disregard of contours, drainage and other physical
5 characteristics of the terrain and surrounding conditions;
6 (e) The existence of inadequate streets and other rights of way, open spaces and utilities;
7 (f) The existence of property or lots or other areas that are subject to inundation by water;
8 (g) A prevalence of depreciated values, impaired investments and social and economic
9 maladjustments to such an extent that the capacity to pay taxes is reduced and tax receipts are
10 inadequate for the cost of public services rendered;
11 (h) A growing or total lack of proper utilization of areas, resulting in a stagnant and unpro-
12 ductive condition of land potentially useful and valuable for contributing to the public health, safety
13 and welfare; or
14 (i) A loss of population and reduction of proper utilization of the area, resulting in its further
15 deterioration and added costs to the taxpayer for the creation of new public facilities and services
16 elsewhere.
- 17 (2) "Certified statement" means the statement prepared and filed pursuant to ORS 457.430 or
18 an amendment to the certified statement prepared and filed pursuant to ORS 457.430.
- 19 (3) "City" means any incorporated city.
- 20 (4)(a) "Existing urban renewal plan" means an urban renewal plan that provides for a division
21 of ad valorem property taxes as described under ORS 457.420 to 457.460 adopted by ordinance before
22 December 6, 1996, that:
- 23 (A) Except for an amendment made on account of ORS 457.190 (3) and subject to paragraph (b)
24 of this subsection, is not changed by substantial amendment, as described in ORS 457.085 (2)(i)(A)
25 or (B), on or after December 6, 1996; and
26 (B) For tax years beginning on or after July 1, 1998, includes the limit on indebtedness as de-
27 scribed in ORS 457.190 (3).
- 28 (b) If, on or after July 1, 1998, the maximum limit on indebtedness (adopted by ordinance before
29 July 1, 1998, pursuant to ORS 457.190) of an existing urban renewal plan is changed by substantial
30 amendment, then "indebtedness issued or incurred to carry out the existing urban renewal plan" for
31 purposes of ORS 457.435 includes only the indebtedness within the indebtedness limit adopted by
32 ordinance under ORS 457.190 (3)(c) before July 1, 1998.
- 33 (5) "Fiscal year" means the fiscal year commencing on July 1 and closing on June 30.
- 34 (6) "Governing body of a municipality" means, in the case of a city, the common council or other
35 legislative body thereof, and, in the case of a county, the board of county commissioners or other
36 legislative body thereof.
- 37 (7) "Housing authority" or "authority" means any housing authority established pursuant to the
38 Housing Authorities Law.
- 39 (8) "Increment" means that part of the assessed value of a taxing district attributable to any
40 increase in the assessed value of the property located in an urban renewal area, or portion thereof,
41 over the assessed value specified in the certified statement.
- 42 (9) "Maximum indebtedness" means the amount of the principal of indebtedness included in a
43 plan pursuant to ORS 457.190 and does not include indebtedness incurred to refund or refinance
44 existing indebtedness.
- 45 (10) "Municipality" means any county or any city in this state. "The municipality" means the

1 municipality for which a particular urban renewal agency is created.

2 (11)(a) **“Public building” means:**

3 (A) A fire station, police station, public library, public hospital, capitol building, school
4 as defined in ORS 339.315, college, university, city hall or the residence of any state official
5 elected by the state at large;

6 (B) The grounds owned by a public body adjacent to a building described in subparagraph
7 (A) of this paragraph;

8 (C) The portion of any other building owned and prepared for occupation or occupied by
9 an agency of the state or a municipal corporation as defined in ORS 297.405; or

10 (D) A public art statue, sculpture, clock tower or bell tower.

11 (b) **“Public building” does not mean:**

12 (A) Property acquired by an urban renewal agency with the intent to redevelop or sell
13 the property;

14 (B) Property acquired by an urban renewal agency with the intent to lease the property
15 for a taxable use;

16 (C) Transportation infrastructure, including train stations, bus stations and publicly
17 owned parking facilities that support taxable property;

18 (D) Water or wastewater infrastructure facilities, including treatment facilities;

19 (E) Tourism-related facilities as defined in ORS 320.300; or

20 (F) Park and recreation facilities, including sports fields.

21 (12) **“Public building project” means an urban renewal project that includes a public
22 building.**

23 (13) **“Reduced rate plan” means an urban renewal plan that:**

24 (a) Was adopted before December 6, 1996, is an existing urban renewal plan and was
25 designated as an Option One plan under ORS 457.435;

26 (b) Was adopted before December 6, 1996, was an existing urban renewal plan designated
27 as an Option One plan under ORS 457.435 on October 6, 2001, and was substantially amended
28 as described in ORS 457.085 (2)(i)(A) or (B) on or after October 6, 2001;

29 (c) Was adopted on or after October 6, 2001; or

30 (d) Was adopted before December 5, 1996, if the governing body of the city or county that
31 adopted the plan has, pursuant to ORS 457.445 (4), irrevocably elected to use a consolidated
32 billing tax rate determined under ORS 457.445 (1)(b) and, on or before July 15 of the first
33 property tax year for which the election is effective, provided the county assessor with a
34 copy of the resolution or ordinance making the election.

35 (14) **“Standard rate plan” means an urban renewal plan that is not a reduced rate plan.**

36 [(11)] (15) [*“Taxing body” or*] **“Taxing district” means the state, city, county or any other
37 [taxing] unit [which] of government that has the power to levy a tax.**

38 [(12)] (16) **“Urban renewal agency” or “agency” means an urban renewal agency created under
39 ORS 457.035 and 457.045.**

40 [(13)] (17) **“Urban renewal area” means a blighted area included in an urban renewal plan or
41 an area included in an urban renewal plan under ORS 457.160.**

42 [(14)] (18) **“Urban renewal plan” or “plan” means a plan, as it exists or is changed or modified
43 from time to time for one or more urban renewal areas, as provided in ORS 457.085, 457.095, 457.105,
44 457.115, 457.120, 457.125, 457.135 and 457.220.**

45 [(15)] (19) **“Urban renewal project” or “project” means any work or undertaking carried out**

1 under ORS 457.170 in an urban renewal area.

2 **SECTION 2.** ORS 457.085 is amended to read:

3 457.085. (1) An urban renewal agency shall provide for public involvement in all stages in the
4 development of an urban renewal plan.

5 (2) An urban renewal plan proposed by an urban renewal agency shall include all of the fol-
6 lowing:

7 (a) A description of each urban renewal project to be undertaken.

8 (b) An outline for the development, redevelopment, improvements, land acquisition, demolition
9 and removal of structures, clearance, rehabilitation or conservation of the urban renewal areas of
10 the plan.

11 (c) A map and legal description of the urban renewal areas of the plan.

12 (d) An explanation of *[its]* **the plan's** relationship to definite local objectives regarding appro-
13 priate land uses and improved traffic, public transportation, public utilities, telecommunications
14 utilities, recreational and community facilities and other public improvements.

15 (e) An indication of proposed land uses, maximum densities and building requirements for each
16 urban renewal area.

17 (f) A description of the methods to be used for the temporary or permanent relocation of persons
18 living in, and businesses situated in, the urban renewal area of the plan.

19 (g) An indication of which real property may be acquired and the anticipated disposition of
20 *[said]* **such** real property, whether by retention, resale, lease or other legal use, together with an
21 estimated time schedule for such acquisition and disposition.

22 (h) If the plan provides for a division of ad valorem taxes under ORS 457.420 to 457.460, the
23 maximum amount of indebtedness that can be issued or incurred under the plan.

24 (i) A description of what types of possible future amendments to the plan are substantial
25 amendments and require the same notice, hearing and approval procedure required of the original
26 plan under ORS 457.095 as provided in ORS 457.220, including but not limited to amendments:

27 *[(A) Adding land to the urban renewal area, except for an addition of land that totals not more
28 than one percent of the existing area of the urban renewal area.]*

29 **(A) Adding land to the urban renewal area if the addition results in a cumulative addition
30 of more than one percent of the urban renewal area.**

31 **(B) Increasing the maximum amount of indebtedness that can be issued or incurred under the
32 plan.**

33 (j) For a project *[which]* **that** includes a public building, an explanation of how the **public**
34 building serves or benefits the urban renewal area.

35 *[(3) An urban renewal plan shall be accompanied by a report which shall contain:]*

36 *[(a) A description of physical, social and economic conditions in the urban renewal areas of the
37 plan and the expected impact, including the fiscal impact, of the plan in light of added services or in-
38 creased population;]*

39 *[(b) Reasons for selection of each urban renewal area in the plan;]*

40 *[(c) The relationship between each project to be undertaken under the plan and the existing condi-
41 tions in the urban renewal area;]*

42 *[(d) The estimated total cost of each project and the sources of moneys to pay such costs;]*

43 *[(e) The anticipated completion date for each project;]*

44 *[(f) The estimated amount of money required in each urban renewal area under ORS 457.420 to
45 457.460 and the anticipated year in which indebtedness will be retired or otherwise provided for under*

1 *ORS 457.420 to 457.460;*]

2 [(g) *A financial analysis of the plan with sufficient information to determine feasibility;*]

3 [(h) *A fiscal impact statement that estimates the impact of the tax increment financing, both until*
4 *and after the indebtedness is repaid, upon all entities levying taxes upon property in the urban renewal*
5 *area; and]*

6 [(i) *A relocation report which shall include:*]

7 [(A) *An analysis of existing residents or businesses required to relocate permanently or temporarily*
8 *as a result of agency actions under ORS 457.170;*]

9 [(B) *A description of the methods to be used for the temporary or permanent relocation of persons*
10 *living in, and businesses situated in, the urban renewal area in accordance with ORS 35.500 to 35.530;*
11 *and]*

12 [(C) *An enumeration, by cost range, of the existing housing units in the urban renewal areas of the*
13 *plan to be destroyed or altered and new units to be added.]*

14 [(4) *An urban renewal plan and accompanying report shall be forwarded to the planning commis-*
15 *sion of the municipality for recommendations, prior to presenting the plan to the governing body of the*
16 *municipality for approval under ORS 457.095.]*

17 [(5) *An urban renewal plan and accompanying report shall be forwarded to the governing body*
18 *of each taxing district affected by the urban renewal plan and the agency shall consult and confer with*
19 *the taxing districts prior to presenting the plan to the governing body of the municipality for approval*
20 *under ORS 457.095. Any written recommendations of the governing body of each taxing district shall*
21 *be accepted, rejected or modified by the governing body of the municipality in adopting the plan.]*

22 [(6) *No urban renewal plan shall be carried out until the plan has been approved by the governing*
23 *body of each municipality pursuant to ORS 457.095 and 457.105.]*

24 **SECTION 3. ORS 457.120 and sections 4 and 5 of this 2019 Act are added to and made a**
25 **part of ORS 457.035 to 457.320.**

26 **SECTION 4. An urban renewal plan proposed by an urban renewal agency shall be ac-**
27 **companied by a report that contains:**

28 (1) **A description of the physical, social and economic conditions in the urban renewal**
29 **areas of the plan and the expected impact, including the fiscal impact, of the plan in light**
30 **of added services or increased population;**

31 (2) **Reasons for the selection of each urban renewal area in the plan;**

32 (3) **The relationship between each project to be undertaken under the plan and the ex-**
33 **isting conditions in the urban renewal area;**

34 (4) **The estimated total costs for each project and the sources of moneys to pay the costs;**

35 (5) **The anticipated completion date for each project;**

36 (6) **The estimated amount of moneys required for each urban renewal area under ORS**
37 **457.420 to 457.460 and the anticipated year in which indebtedness will be retired or otherwise**
38 **provided for under ORS 457.420 to 457.460;**

39 (7) **A financial analysis of the plan with sufficient information to determine the feasibility**
40 **of the plan;**

41 (8) **A fiscal impact statement that estimates the impact of the tax increment financing,**
42 **both until and after the indebtedness is repaid, upon all districts levying taxes upon property**
43 **in the urban renewal area; and**

44 (9) **A relocation report that includes:**

45 (a) **An analysis of existing residents or businesses required to relocate temporarily or**

1 permanently as a result of the urban renewal agency's actions under ORS 457.170;

2 (b) A description of the methods to be used for the temporary or permanent relocation
3 of persons living, and businesses situated, in the urban renewal area, in accordance with ORS
4 35.500 to 35.530; and

5 (c) An enumeration, by cost range, of the existing housing units in the urban renewal
6 areas of the plan to be destroyed or altered and the new units to be added.

7 **SECTION 5.** (1) An urban renewal agency shall forward an urban renewal plan and the
8 accompanying report to the planning commission of the municipality for recommendations
9 before presenting the plan to the governing body of the municipality for approval under ORS
10 457.095.

11 (2)(a) The urban renewal agency shall deliver the urban renewal plan and accompanying
12 report to the governing body of each taxing district affected by the urban renewal plan, by
13 certified mail or any form of delivery that requires a signature upon delivery or that may
14 otherwise be tracked. The agency shall consult and confer with the taxing districts before
15 presenting the plan to the governing body of the municipality for approval under ORS 457.095.

16 (b) The governing body of each taxing district shall have 45 days following receipt of the
17 plan and report to submit written recommendations to the urban renewal agency. In adopt-
18 ing the plan, the governing body of the municipality shall accept, reject or modify the rec-
19 ommendations of each taxing district.

20 (3)(a) An urban renewal plan proposed on or after the effective date of this 2019 Act that
21 includes a public building project requires the concurrence of at least three of the four taxing
22 districts that are estimated to forgo the most property tax revenue as computed in the re-
23 port accompanying the proposed plan. The question of concurrence shall be determined by
24 a vote of the governing body of each of the four taxing districts.

25 (b) The urban renewal agency shall include with the urban renewal plan and accompa-
26 nying report provided pursuant to subsection (2) of this section a request for concurrence
27 in the inclusion of the public building project in the proposed plan.

28 (c) The governing body of each taxing district described in paragraph (a) of this sub-
29 section shall, by written resolution, concur or decline to concur in the inclusion of the public
30 building project in the proposed plan.

31 (d)(A) If at least three of the four taxing districts described in paragraph (a) of this
32 subsection concur, the public building project may be included in the proposed plan.

33 (B) If at least two of the four taxing districts described in paragraph (a) of this sub-
34 section do not concur, the public building project may not be included in the proposed plan.

35 (e) If the governing body of a taxing district described in paragraph (a) of this subsection
36 does not respond within 45 days after receiving the plan and report under subsection (2) of
37 this section, the taxing district shall be deemed to have concurred in the inclusion of all
38 public building projects included in the plan.

39 (4) Subsections (2) and (3) of this section also apply to:

40 (a) The addition on or after the effective date of this 2019 Act of a public building project
41 to an urban renewal plan that is not included in the plan before the effective date of this 2019
42 Act.

43 (b) An amendment proposed on or after the effective date of this 2019 Act to an urban
44 renewal plan that significantly increases the scope of work for a public building project to
45 be paid for with division of taxes pursuant to ORS 457.420 to 457.460.

1 **(5) An urban renewal plan may not be carried out until the plan has been approved by**
2 **the governing body of each municipality pursuant to ORS 457.095 and 457.105.**

3 **SECTION 6.** ORS 457.095 is amended to read:

4 457.095. (1) The governing body of *[the]* a municipality, upon receipt of a proposed urban re-
5 newal plan and report from the municipality's urban renewal agency and after public notice and
6 hearing and consideration of public testimony and planning commission **and taxing district** recom-
7 mendations, if any, may approve the urban renewal plan. The approval shall be by nonemergency
8 ordinance *[which shall incorporate]* **that incorporates** the plan by reference. Notice of adoption of
9 the ordinance approving the urban renewal plan, and the provisions of ORS 457.135, shall be pub-
10 lished by the governing body of the municipality in accordance with ORS 457.115 no later than four
11 days following the ordinance adoption.

12 (2) The ordinance shall include determinations and findings by the governing body **of the**
13 **municipality** that:

14 [(1)] (a) Each urban renewal area is blighted;

15 [(2)] (b) The rehabilitation and redevelopment is necessary to protect the public health, safety
16 or welfare of the municipality;

17 [(3)] (c) The urban renewal plan conforms to the comprehensive plan and economic development
18 plan, if any, of the municipality as a whole and provides an outline for accomplishing the urban
19 renewal projects the urban renewal plan proposes;

20 [(4)] (d) Provision has been made to house displaced persons within their financial means in
21 accordance with ORS 35.500 to 35.530 and, except in the relocation of elderly individuals or indi-
22 viduals with disabilities, without displacing on priority lists persons already waiting for existing
23 federally subsidized housing;

24 [(5)] (e) If acquisition of real property is provided for, *[that]* it is necessary;

25 [(6)] (f) Adoption and carrying out of the urban renewal plan is economically sound and feasible;
26 and

27 [(7)] (g) The municipality shall assume and complete any activities prescribed it by the urban
28 renewal plan.

29 **SECTION 7.** ORS 457.120 is amended to read:

30 457.120. (1) In addition to any required public notice of hearing on a proposed urban renewal
31 plan or substantial amendment or change to a plan, as described in ORS 457.085 (2)(i) and 457.220,
32 the municipality shall cause notice of a hearing by the governing body on a proposed plan for a new
33 urban renewal area or on a proposed change containing one of the types of amendments specified
34 in ORS 457.085 (2)(i) to be mailed to each individual or household in one of the following groups:

35 (a) Owners of real property that is located in the municipality;

36 (b) Electors registered in the municipality;

37 (c) Sewer, water, electric or other utility customers in the municipality; or

38 (d) Postal patrons in the municipality.

39 (2) If the urban renewal area governed by the plan or substantial amendment thereof extends
40 beyond the boundaries of the municipality, notice shall also be sent to each individual in the se-
41 lected group who is located in the urban renewal area.

42 (3) The notice required by this section shall contain a statement in plain language that:

43 (a) The governing body, on a specified date, will hold a public hearing and consider an ordinance
44 adopting or substantially amending an urban renewal plan;

45 **(b) If the plan is a standard rate plan, or a reduced rate plan for which the consolidated**

1 **billing tax rate includes a tax pledged to repay exempt bonded indebtedness that was ap-**
2 **proved by taxing district electors on or before October 6, 2001,** the adoption or amendment may
3 [*impact*] **affect** property tax rates;

4 (c) [*States*] **Sets forth** the proposed maximum amount of indebtedness that can be issued or in-
5 curred under the plan or amendment;

6 (d) The ordinance, if approved, is subject to referendum; and

7 (e) A copy of the ordinance, urban renewal plan and accompanying report can be obtained by
8 contacting a designated person within the municipality.

9 (4) If the municipality [*which*] **that** activated the urban renewal agency is a county:

10 (a) The notice required by subsection (1) of this section shall be sent to each individual or
11 household in one of the groups listed in subsections (1)(a) to (d) of this section, except that the no-
12 tice need be sent only to those individuals or households located in a school district with territory
13 affected or to be affected by the tax increment financing for the new urban renewal area or pro-
14 posed change.

15 (b) In addition to the notice under paragraph (a) of this subsection, the county shall cause notice
16 to be published in a paper of general circulation throughout the county. The published notice shall
17 contain the information described in subsection (3) of this section, be published in an advertisement
18 not less than three inches in height and three inches in width and be located in a general interest
19 section of the newspaper other than the classified advertisement section.

20 **SECTION 8.** ORS 457.445 is amended to read:

21 457.445. (1)(a) The consolidated billing tax rate of the following urban renewal plans shall be
22 determined under paragraph (b) of this subsection:

23 (A) An existing urban renewal plan (other than an existing urban renewal plan designated as
24 an Option Three plan under ORS 457.435 (2)(c));

25 (B) An urban renewal plan that was an existing urban renewal plan on October 6, 2001, (other
26 than an existing urban renewal plan designated as an Option Three plan under ORS 457.435 (2)(c))
27 and that was substantially amended as described in ORS 457.085 (2)(i)(A) or (B) on or after October
28 6, 2001; and

29 (C) An urban renewal plan adopted on or after October 6, 2001.

30 (b)(A) The consolidated billing tax rate of an urban renewal plan described in paragraph (a) of
31 this subsection equals the total of all district tax rates used to extend taxes after any adjustment
32 to reflect tax offsets under ORS 310.105.

33 (B) Notwithstanding subparagraph (A) of this paragraph, the consolidated billing tax rate of an
34 urban renewal plan described in paragraph (a) of this subsection excludes any rate derived from:

35 (i) An urban renewal special levy under ORS 457.435.

36 (ii) A local option tax, as defined in ORS 280.040, that is approved by taxing district electors
37 after October 6, 2001.

38 (iii) A tax pledged to repay exempt bonded indebtedness (other than exempt bonded indebtedness
39 used to fund local government pension and disability plan obligations that, until funded by the ex-
40 empt bonded indebtedness, were described in Article XI, section 11 (5), of the Oregon Constitution),
41 as defined in ORS 310.140, that is approved by taxing district electors after October 6, 2001.

42 (iv) The increase in the rate of ad valorem property tax allowable under Article XI, section 11
43 (5)(d), of the Oregon Constitution, for a school district with a statutory rate limit on July 1, 2003,
44 that is greater than \$4.50 per \$1,000 of assessed value, to the extent that the increase is excluded
45 from local revenues, as that term is used in ORS chapter 327, and provided that the school district

1 notifies the county assessor of the rate to be excluded for the current fiscal year not later than July
2 15.

3 (2)(a) The consolidated billing tax rate of all other urban renewal plans equals the total of all
4 district ad valorem property tax rates used to extend taxes after any adjustments to reflect tax off-
5 sets under ORS 310.105.

6 (b) Notwithstanding paragraph (a) of this subsection, the consolidated billing tax rate of urban
7 renewal plans referred to in paragraph (a) of this subsection excludes:

8 (A) An urban renewal special levy rate under ORS 457.435[.];

9 (B) A new local option tax[.]; **and**

10 (C) **If the urban renewal plan is adopted or substantially amended on or after the effec-**
11 **tive date of this 2019 Act, a tax pledged to repay exempt bonded indebtedness, as defined in**
12 **ORS 310.140, that is approved by taxing district electors on or after the effective date of this**
13 **2019 Act.**

14 (3)(a) Notwithstanding subsection (2)(b)(B) of this section, the consolidated billing tax rate of
15 urban renewal plans referred to in subsection (2)(a) of this section includes a new local option tax
16 imposed in a fiscal year for which the urban renewal agency files with the county assessor an
17 impairment certificate in the manner described in paragraph (b) of this subsection not later than the
18 May 1 immediately preceding the beginning of the fiscal year.

19 (b) An impairment certificate must:

20 (A) Identify the urban renewal plan to which it relates;

21 (B) Instruct the county assessor to include the new local option tax in the consolidated billing
22 tax rate for the urban renewal plan for the ensuing fiscal year;

23 (C) State that the urban renewal agency has reasonably determined that excluding the new local
24 option tax from the consolidated billing tax rate for the fiscal year under this subsection would
25 impair contracts that the agency has entered into with owners of indebtedness incurred before Oc-
26 tober 7, 2013, to carry out an urban renewal plan described in subsection (2) of this section; and

27 (D) Be signed by an authorized representative of the agency.

28 (4)(a) Notwithstanding subsection (2) of this section, the governing body of a municipality that
29 adopted an urban renewal plan before December 5, 1996 (other than an existing urban renewal plan
30 designated as an Option Three plan under ORS 457.435 (2)(c)), that would otherwise be required to
31 use a consolidated billing tax rate determined under subsection (2) of this section may, by resolution
32 or ordinance, irrevocably elect to have amounts collected by dividing the taxes for the urban re-
33 newal plan pursuant to ORS 457.440 be determined under subsection (1)(b) of this section.

34 (b) An election made pursuant to this subsection applies first to the assessment roll next fol-
35 lowing if the assessor has received notice of the election from the urban renewal agency before
36 January 1.

37 (5) As used in this section, “new local option tax” means a local option tax, as defined in ORS
38 280.040, that is approved by taxing district electors after January 1, 2013.

39 **SECTION 9.** ORS 457.220 is amended to read:

40 457.220. (1) Except for the provisions of subsections (2) and (4) of this section, an urban renewal
41 agency shall carry out the urban renewal plan approved under ORS 457.095.

42 (2) Any substantial change made in the urban renewal plan shall, before being carried out, be
43 approved and recorded in the same manner as the original plan.

44 (3) **[No land] An urban renewal agency may not by amendments add to the urban renewal**
45 **areas of a plan land that is equal to more than 20 percent of the total land area of the original**

1 plan *[shall be added to the urban renewal areas of a plan by amendments]* **as calculated without**
2 **taking into account any subsequent reductions of the area.**

3 (4) On or after January 1, 2010, the urban renewal agency may amend a plan that is not a large
4 metropolitan plan as defined in ORS 457.470 to increase the maximum indebtedness, provided that:

5 (a) The aggregate of all amendments under this subsection may not exceed 20 percent of the
6 plan's initial maximum indebtedness, as adjusted pursuant to paragraph (b) of this subsection.

7 (b) For purposes of computing the 20 percent limit on increases in maximum indebtedness, the
8 initial maximum indebtedness may be increased annually on the anniversary date of initial approval
9 of the plan by the index used in the urban renewal report to compute the future costs of projects
10 that will be financed under the plan, beginning on the later of July 1, 1999, or the first anniversary
11 of plan approval. This increase may be applied only to the first amendment to the maximum
12 indebtedness that is made on or after January 1, 2010.

13 (5) The limits in subsection (4) of this section do not apply if the agency obtains concurrence
14 as provided in ORS 457.470.

15 **SECTION 10.** ORS 457.460 is amended to read:

16 457.460. (1) Not later than January 31 of each year, an urban renewal agency shall prepare a
17 statement, on the same basis on which its financial statements are prepared, containing:

18 (a) The amount of *[money]* **moneys** received during the preceding fiscal year under ORS 457.420
19 to 457.460 and from indebtedness incurred under ORS 457.420 to 457.460;

20 (b) The purposes and amounts for which any *[money]* **moneys** received under ORS 457.420 to
21 457.460 and from indebtedness incurred under ORS 457.420 to 457.460 were expended during the
22 preceding fiscal year;

23 (c) An estimate of moneys to be received during the current fiscal year under ORS 457.420 to
24 457.460 and from indebtedness incurred under ORS 457.420 to 457.460;

25 (d) A budget setting forth the purposes and estimated amounts for which the moneys *[which]*
26 **that** have been or will be received under ORS 457.420 to 457.460 and from indebtedness incurred
27 under ORS 457.420 to 457.460 are to be expended during the current fiscal year; *[and]*

28 **(e) The maximum indebtedness for each urban renewal area included in an urban renewal**
29 **plan of the agency, including the amount of indebtedness incurred through the end of the**
30 **immediately preceding fiscal year; and**

31 *[(e)]* **(f)** An analysis of the impact, if any, of carrying out the urban renewal plan on the tax
32 collections for the preceding year for all taxing districts included under ORS 457.430.

33 (2)**(a)** The statement required by subsection (1) of this section shall be filed with the governing
34 body of the municipality **and distributed to each taxing district affected by an urban renewal**
35 **plan of the agency.** Notice shall be published that the statement has been prepared and is on file
36 with the municipality and the agency and the information contained in the statement is available
37 to all interested persons. The notice shall be published once a week for not less than two successive
38 weeks before March 1 of the year in which the statement is filed, in accordance with ORS 457.115.
39 The notice shall summarize the information required under subsection (1)(a) to *[(d)]* **(e)** of this sec-
40 tion and shall set forth in full the information required under subsection *[(1)(e)]* **(1)(f)** of this section.

41 **(b) Staff of the agency shall be available to consult with affected taxing districts and re-**
42 **spond to questions.**

43 **SECTION 11.** ORS 457.445, 457.455 and 457.470 are added to and made a part of ORS
44 457.420 to 457.460.

45 **SECTION 12.** This 2019 Act takes effect on the 91st day after the date on which the 2019

1 **regular session of the Eightieth Legislative Assembly adjourns sine die.**

2

HB 2174-1
(LC 1005)
3/13/19 (ASD/ps)

Requested by HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT (at the request of Special Districts Association of Oregon)

**PROPOSED AMENDMENTS TO
HOUSE BILL 2174**

1 On page 3 of the printed bill, line 1, delete “college or university or” and
2 insert “college, university.”

3 In line 8, delete “include” and insert “mean”.

4 On page 4, delete lines 24 and 25 and insert:

5 “(A) Adding land to the urban renewal area if the addition results in a
6 cumulative addition of more than one percent of the urban renewal area.”.

7 On page 6, line 11, delete “60” and insert “45”.

8 Delete lines 15 through 21 and insert:

9 “(3)(a) An urban renewal plan proposed on or after the effective date of
10 this 2019 Act that includes a public building project requires the concurrence
11 of at least three of the four taxing districts that are estimated to forgo the
12 most property tax revenue as computed in the report accompanying the pro-
13 posed plan. The question of concurrence shall be determined by a vote of
14 the governing body of each of the four taxing districts.

15 “(b) The urban renewal agency shall include with the urban renewal plan
16 and accompanying report provided pursuant to subsection (2) of this section
17 a request for concurrence in the inclusion of the public building project in
18 the proposed plan.”.

19 In line 22, delete “(b)” and insert “(c)”.

20 Delete lines 25 and 26 and insert:

21 “(d)(A) If at least three of the four taxing districts described in paragraph

1 (a) of this subsection concur, the public building project may be included in
2 the proposed plan.

3 “(B) If at least two of the four taxing districts described in paragraph (a)
4 of this subsection do not concur, the public building project may not be in-
5 cluded in the proposed plan.”.

6 In line 27, delete “(d)” and insert “(e)”.

7 In line 28, delete “60” and insert “45”.

8 Delete lines 32 through 35 and insert:

9 “(a) The addition on or after the effective date of this 2019 Act of a public
10 building project to an urban renewal plan that is not included in the plan
11 before the effective date of this 2019 Act.

12 “(b) An amendment proposed on or after the effective date of this 2019
13 Act to an urban renewal plan that significantly increases the scope of work
14 for a public building project to be paid for with division of taxes pursuant
15 to ORS 457.420 to 457.460.”.

16

HB 2174 -1 STAFF MEASURE SUMMARY
House Committee On Economic Development

Prepared By: Melissa Leoni, LPRO Analyst

Meeting Dates: 3/18, 4/1

WHAT THE MEASURE DOES:

Requires delivery of urban renewal plan and accompanying report to the governing body of each taxing district affected by an urban renewal plan and allows governing body of taxing district 60 days following receipt to submit written recommendations to urban renewal agency prior to agency presenting plan for approval. Requires concurrence by three of the four taxing districts estimated to forgo the most property tax revenue when any of the following occur on or after July 1, 2019: proposed urban renewal plan includes a public building project; addition of a public building project to an urban renewal plan; or plan amendments that increase the budget for a public building project more than 20 percent. Defines public building, public building project, reduced rate plan, and standard rate plan for purposes of urban renewal. Requires notice of a hearing on a new proposed urban renewal plan or plan amendments to contain a statement that adoption may affect property tax rates for standard rate urban renewal plans or reduced rate plans whose consolidated bill tax rate includes tax pledged to repay exempt bonded indebtedness approved on or before October 6, 2001. Excludes tax pledged to repay exempt bonded indebtedness approved on or after the effective date of measure from consolidated billing tax rate on urban renewal plans adopted or amended after measure effective date. Limits the addition of area to the urban renewal plan by amendment to 20 percent of the total land area of original plan calculated without considering any subsequent reductions of area. Requires urban renewal agency annual statement to include the maximum indebtedness for each urban renewal area in an agency plan, including amount of indebtedness incurred through the end of the preceding fiscal year. Requires annual financial statement be distributed to each taxing district affected by urban renewal plan of agency and for agency staff to be available to consult with affected taxing districts. Takes effect 91st day following adjournment sine die.

FISCAL: Has minimal fiscal impact

REVENUE: Revenue impact issued

ISSUES DISCUSSED:

- Tax increment financing for water and wastewater projects
- Additional language to address assessor and Department of Revenue concerns
- Actual school district impact as affected taxing district

EFFECT OF AMENDMENT:

-1 Reduces days for governing body of taxing district to respond to urban renewal agency from 60 to 45 days. Clarifies that if three of the four taxing districts concur, a public building project may be included in the proposed plan, but if at least two of the four taxing districts do not concur, the project may not be included in the plan. Requires concurrence of taxing district if an amendment to a plan significantly increases the scope of work for a public building project to be paid for with the division of taxes for urban renewal. Aligns requirement dates with effective date of bill and makes other technical corrections.

BACKGROUND:

Oregon law gives each city and county the ability to activate an urban renewal agency with the power to propose and act on plans and projects to remove "blight." Examples of blight include buildings that are unsafe or unfit for occupancy or the existence of inadequate streets, rights of way, and utilities. The area where the work is to be

HB 2174 -1 STAFF MEASURE SUMMARY

done is known as the plan area, and the urban renewal agency proposes a plan for improving the area. Following public notice and hearing, and after considering public testimony and planning commission recommendations, the city or county may approve the urban renewal plan by ordinance.

Most urban renewal plans are funded through a tax increment financing mechanism. When the urban renewal plan is created, the assessed value of property within its boundaries is locked in time, or frozen, at the amount calculated from the last certified tax roll prior to the plan's approval. The agency then raises revenue in subsequent years from any value growth above the frozen amount; this value growth is referred to as the increment. The tax rate used to calculate taxes imposed for the urban renewal plan is the consolidated tax rate for the taxing districts within the geographical boundaries of the plan. The sharing of tax between taxing districts that each have a portion of the tax imposed on the frozen base value, and urban renewal agencies that have the tax imposed on the excess value, is also referred to as urban renewal division of tax.

According to Oregon Property Tax Statistics, Fiscal Year 2017-18, by the Oregon Department of Revenue, there were 116 urban renewal plan areas that raised revenue from the division of tax in 2017-18.

House Bill 2174 changes requirements for notification, review, and input by each taxing district affected by an urban renewal plan prior to approval. The measure also requires concurrence by three of the four taxing districts, estimated to forgo the most property tax revenue, when a plan, amendment, or certain budget increase that occurs on or after July 1, 2019, involves a public building project. The measure also requires a notice statement that adoption may affect property tax rates for certain plans and excludes certain taxes pledged to repay exempt bonded indebtedness from the consolidated billing tax rate on plans adopted or amended after the effective date. Finally, House Bill 2174 limits the addition of area to the plan by amendment, requires annual statement to include maximum indebtedness for each urban renewal area, and have the statement distributed to each affected taxing district.