

GRESHAM REDEVELOPMENT COMMISSION AGENDA (REVISED)

COMMISSION CHAIR TRAVIS STOVALL

COMMISSION VICE CHAIR EDDY MORALES
COMMISSION ACTING CHAIR DINA DINUCCI
COMMISSIONER JANINE GLADFELTER

COMMISSIONER VINCENT JONES-DIXON
COMMISSIONER MARIO PALMERO
COMMISSIONER SUE PIAZZA

GRESHAM REDEVELOPMENT COMMISSION August 24, 2021

OPEN SESSION – *3:15 P.M.

VIA ZOOM MEETING (SEE INSTRUCTIONS BELOW)

(*Meeting might convene later than 3:15 p.m. if the 3:00 p.m. City Council Business Meeting, which will only convene for a few minutes, does not adjourn by 3:15 p.m.)

EXECUTIVE SESSION – IF NECESSARY – VIA SEPARATE ZOOM MEETING
15 MINUTES FOLLOWING ADJOURNMENT OF THE OPEN SESSION

ORS 192.660(2)(e) Real Property Transactions, ORS 192.660(2)(f) – Exempt Public Records,
and ORS 192.660(2)(h) – Legal Counsel

COVID-19 MEETING PROCEDURE

Until further notice, the Gresham Redevelopment Commission will continue to hold their Open Session meetings online via Zoom.

Zoom Access Link and Call-in Numbers for the August 24, 2021 Meeting

Please click the link below to join the webinar:

<https://greshamoregon.zoom.us/j/87263248033?pwd=VERwdTlyYnpSbTBTQTNtQTBTM3ovZz09>

Passcode: 4mb6Le

Or One tap mobile:

US: +16699006833,,87263248033#,,,,*544240# or +12532158782,,87263248033#,,,,*544240#

Or Telephone:

Dial: US: +1 253 215 8782

Webinar ID: 872 6324 8033

Passcode: 544240

International numbers available: <https://greshamoregon.zoom.us/j/87263248033?pwd=VERwdTlyYnpSbTBTQTNtQTBTM3ovZz09>

COVID-19 PLEASE NOTE

Instructions for signing up for written or oral testimony are provided on this agenda under section A (2): Instructions to Citizens on Signing Up for Public Testimony Regarding Agenda and Non-Agenda Items.

The City's business hours are Monday through Friday from 8:00 a.m. to 5:00 p.m.

Persons who desire to access the meeting and are unable to access the meeting via Zoom are encouraged to contact Cecille Turley, Program Technician, by calling 503-618-2545 or emailing cecille.turley@greshamoregon.gov by 5:00 p.m. two (2) business days before the meeting, so that the City can provide alternate arrangements.

Persons who desire translation services for this meeting must notify Cecille Turley, Program Technician, by calling 503-618-2545 or emailing cecille.turley@greshamoregon.gov by 5:00 p.m. three (3) business days before the meeting, so that the City can make arrangements for translation services.

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A. CALL TO ORDER BY PRESIDING OFFICER 5

1. ROLL CALL OF THE GRESHAM REDEVELOPMENT COMMISSION
2. INSTRUCTIONS TO CITIZENS FOR TESTIFYING ON AGENDA AND NON-AGENDA ITEMS

Instructions for providing **Written or Oral testimony** during the COVID-19 Emergency are:

Written Testimony must be received by 3:30 p.m. one (1) business day before the meeting via email to Cecille Turley, Program Technician, at Cecille.Turley@GreshamOregon.gov.

Oral Testimony: If you plan to provide Oral public testimony, you must register your name, email address, phone number, and subject matter to Cecille Turley, Program Technician, via email to Cecille.Turley@GreshamOregon.gov by 3:30 p.m. one (1) business day before the meeting.

B. CITIZEN AND COMMUNITY GROUP COMMENTS FOR AGENDA (EXCEPT PUBLIC HEARING) AND NON-AGENDA ITEMS 10

1. CITIZEN AND COMMUNITY GROUP COMMENTS

C. CONSENT AGENDA

Commission actions are taken in one motion on Consent Agenda items; however, Commission members can remove items from the Consent Agenda to be addressed separately.

None.

D. PUBLIC HEARING

None.

E. COMMISSION BUSINESS

1. **FINANCIAL SUSTAINABILITY AND THE FUTURE OF THE GRESHAM REDEVELOPMENT COMMISSION AND ROCKWOOD-WEST GRESHAM RENEWAL PLAN 60**

This item will inform decision makers—as part of a broader process—as they decide whether or not to expire, extend, or expand the Rockwood-West Gresham Renewal Plan (Plan) for the Rockwood-West Gresham Urban Renewal Area (URA), and/or which projects in the Plan should be prioritized for completion before the existing duration provision of the Plan expires in 2023.

F. COMMISSION MEASURES AND PROPOSALS

None.

G. ADJOURNMENT OF MEETING

TOTAL ESTIMATED TIME (MINUTES): 75

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MEETING BROADCAST AND REPLAY SCHEDULE

Live Broadcast

- Comcast Channel 22 (322 HD) or Frontier Channel 33
- City of Gresham website: www.GreshamOregon.gov/videos. (Under “Upcoming Events,” click on the Month and Day Redevelopment Commission “Agenda.” An active link to the Zoom meeting is posted on page 1 of the Agenda. Phone numbers are also posted for the option of attending the meeting by phone.)

Replays

- 1st Friday of the following month at 11:30 p.m. on Comcast Channel 30 (330 HD) or Frontier Channel 38
- Any time after 72 hours following the meeting: www.GreshamOregon.gov/videos

GRESHAM

REDEVELOPMENT COMMISSION

AGENDA ITEM TYPE: POLICY DIRECTION

Financial Sustainability and the Future of the Gresham Redevelopment Commission and Rockwood-West Gresham Renewal Plan

Meeting Date: August 24, 2021

Agenda Item Number: E-1

REQUESTED COMMISSION ACTION

Staff is seeking general direction from the Gresham Redevelopment Commission (GRDC) on proposed urban renewal district scenarios to determine the best strategy for the future of the Rockwood-West Gresham Renewal Plan (Plan) and urban renewal districts in Oregon.

PUBLIC PURPOSE AND COMMUNITY OUTCOME

This meeting is intended to inform decision makers—as part of a broader process—as they decide whether or not to extend the duration of the Plan for the Rockwood-West Gresham Urban Renewal Area (URA). Additionally, consideration will be given as to which projects in the Plan should be prioritized for completion before the existing duration provision expires in 2023.

Moving forward, the GRDC will need to:

- Analyze the URA's investment impact on large- and small-scale businesses, residents, special districts, and outcomes for communities of color.
- Identify potential initiatives that align with existing and/or newly created goals, policies, and current market realities.

Staff began with work session #1 at the joint City of Gresham/GRDC policy discussion meeting on June 8, 2021, and presented work session #2 on July 20, 2021. This is the third and final work session of the series. This session will include the following:

Work session #3:

1. Urban Renewal/TIF District Considerations
 - a. Expire
 - b. Extend
 - c. Expand
2. Staff Recommendation

This work session will provide three scenarios for the GRDC's consideration to determine the future of the GRDC and the Plan. Each scenario will provide an outline of process, opportunities, constraints, and the impacts of each outcome.

BACKGROUND

In 2003, in culmination of years of public engagement and City-led planning efforts, the residents of Gresham voted in favor of the Plan. The Plan established the 1,211-acre URA and is administered by the GRDC—consisting of the members of the Gresham City Council. In addition, a GRDC citizen advisory committee reviews proposed projects and policies and makes recommendations to the GRDC. The citizen advisory committee also serves on the GRDC's budget committee that annually approves the GRDC's budget and recommends it to the GRDC for adoption. City staff, led by the Urban Renewal/GRDC Executive Director, perform the day-to-day activities that implement the goals, actions and urban renewal projects outlined in the Plan.

The Plan identifies the following eight Goals:

- Goal 1: Public Involvement
- Goal 2: Improve Rockwood Town Center
- Goal 3: Increase Availability of Quality Housing
- Goal 4: Help Create and Retain Family Wage Jobs by Improving Industrial and Commercial Areas
- Goal 5: Develop Public Safety and Community Service Facilities
- Goal 6: Parks and Recreation Facilities
- Goal 7: Improve Transportation
- Goal 8: Promote Quality Development

The duration of the Plan is limited to 20 years from its effective date; therefore, no new projects may be commenced, and no new indebtedness may be incurred, after June 30, 2023. As the duration provision deadline is now only two years away, the City's Financial Sustainability and the Community Development and Livability group will work in tandem with Urban Renewal staff to determine the best path forward for the future of the GRDC and the City at large.

RECOMMENDATION AND ALTERNATIVES

Recommendation: Direct staff to move forward with the "Extend" scenario, which will extend the Plan to 2029, which will allow the GRDC to utilize the maximum indebtedness of \$92 million dollars over the next 6 years to complete priority projects. This recommendation benefits from established assessed value and allows for additional analysis to determine if expanding the urban renewal/TIF district is feasible by identifying an inter-departmental strategy and key geographic locations for optimal growth and community benefit. Per Section 36A of the Gresham Charter of 1978, extending the Plan constitutes a substantial change, which requires the Council to refer the ordinance to the electors. If the GRDC chooses this scenario, staff will begin the process to prepare a draft ordinance reflecting the change to the Plan for the Council's review as well as all documents necessary for the Council to refer the measure to the voters if they adopt the ordinance.

Alternatives: GRDC options include:

1. Allow the Plan and District to expire on its original schedule in 2023. No vote required.
2. Direct staff to expand the Plan and District by reviewing other potential geographic locations near the existing district connected via a right-of-way and expanding the amount of maximum indebtedness. Vote required.
3. Direct staff to expand the use of urban renewal by identifying a new area to be designated an urban renewal/TIF district and identify a new maximum indebtedness. Vote required.

BUDGET / FINANCIAL IMPACT

Consultant fees: \$20,000 contract is accounted for in the fiscal year 2021/22 budget. If the GRDC chooses to extend or expand the Plan, a public involvement plan would require additional expenditure, which can be addressed within the GRDC Adopted Budget for Fiscal Year 2021/22.

PUBLIC INVOLVEMENT

Work sessions #1, #2 and #3 were presented to the GRDC Advisory Committee (GRDCAC) on June 9th, July 14th, and August 11th of 2021. At their August 11 meeting, the GRDCAC voted to recommend the “Extend” scenario to the GRDC. Dependent upon Council/GRDC decision, a public engagement plan will be developed.

NEXT STEPS

Staff will work closely with relevant departments to begin the process of implementing the GRDC’s preferred scenario.

ATTACHMENTS

- A. GRDC “District” Scenario Options
-

FROM

Emily Bower, GRDC Executive Director

REVIEWED THROUGH

Eric Schmidt, Assistant City Manager
Elizabeth Coffey, Assistant City Manager
Sharron Monohon, Budget and Finance Director
Kevin McConnell, City Attorney
Shannon Stadey, Economic Development Director
Office of Governance and Management

FOR MORE INFORMATION

Staff Contact: Emily Bower
Telephone: 503-618-2416
Staff E-Mail: Emily.Bower@GreshamOregon.gov
Website: [GreshamOregon.gov/Urban Renewal](http://GreshamOregon.gov/Urban%20Renewal)

<Y:\Urban Renewal\GRDC\Agendas\2021 GRDC Agendas\GRDC 2021-08-24 Agenda Docs\GRDC Agenda Item E-1.docx>

MEMORANDUM

To: Gresham Redevelopment Commission (GRDC)

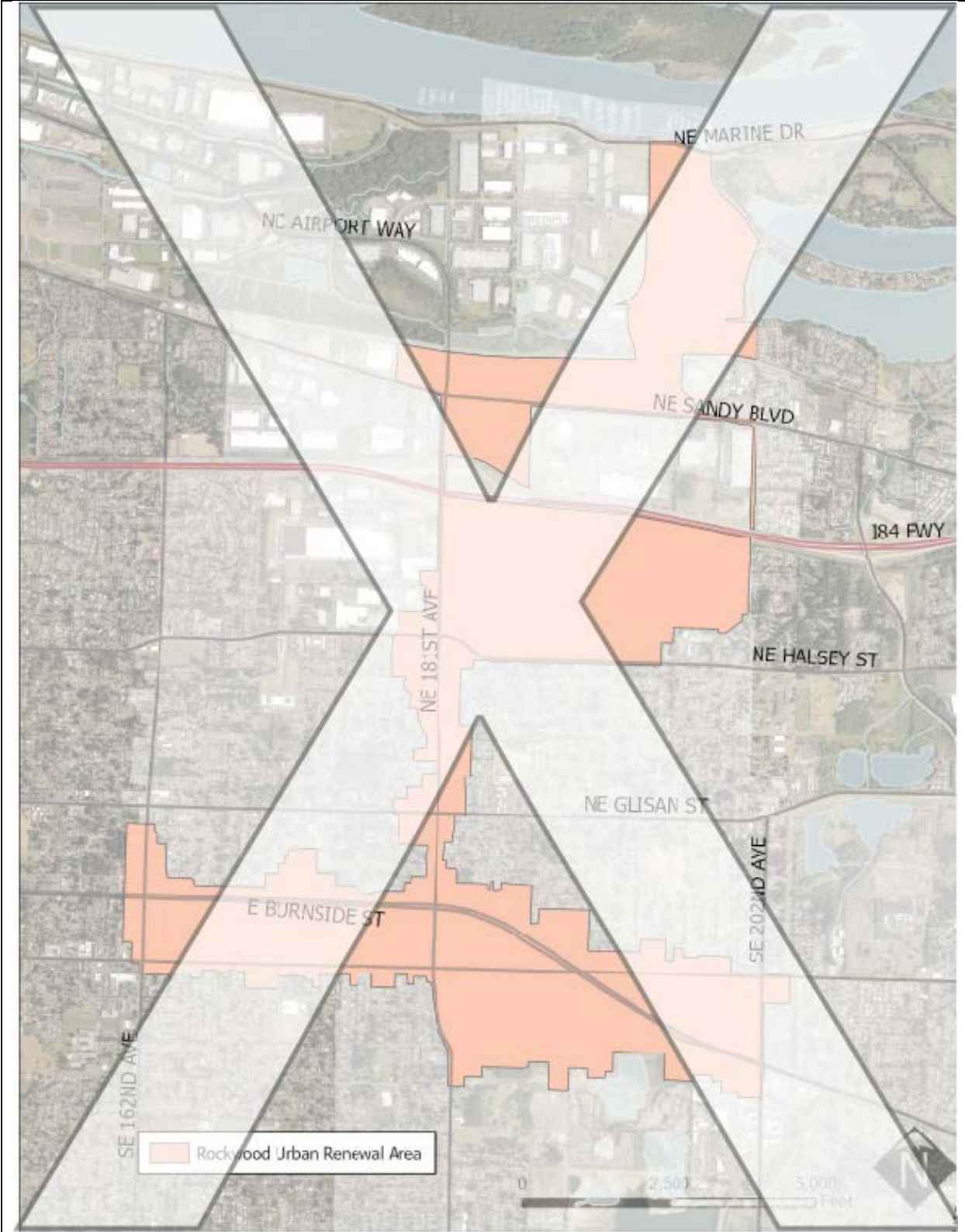
From: Emily Bower, Executive Director and Elaine Howard, Consultant

Date: August 23, 2021

Subject: Gresham Redevelopment Commission “District” Scenario Options

The scenarios the Gresham Redevelopment Commission (GRDC) could consider for the future of the Rockwood–West Gresham Renewal Area (URA)/Tax Increment Financing (TIF) district (District) are outlined below. There are several components to review in order to determine the optimal option for Gresham which might utilize the tax increment financing (TIF) tool. Almost any change to the Rockwood – West Gresham Renewal Plan (Plan) must go to voter approval as required by Chapter IX of the Gresham City Charter. After decisions are made, legal counsel’s review of the proposed changes is recommended.

SCENARIO 1
EXPIRE: Plan and District expire June 30, 2023.
Figure 1: Allow the existing District to expire.



Process:

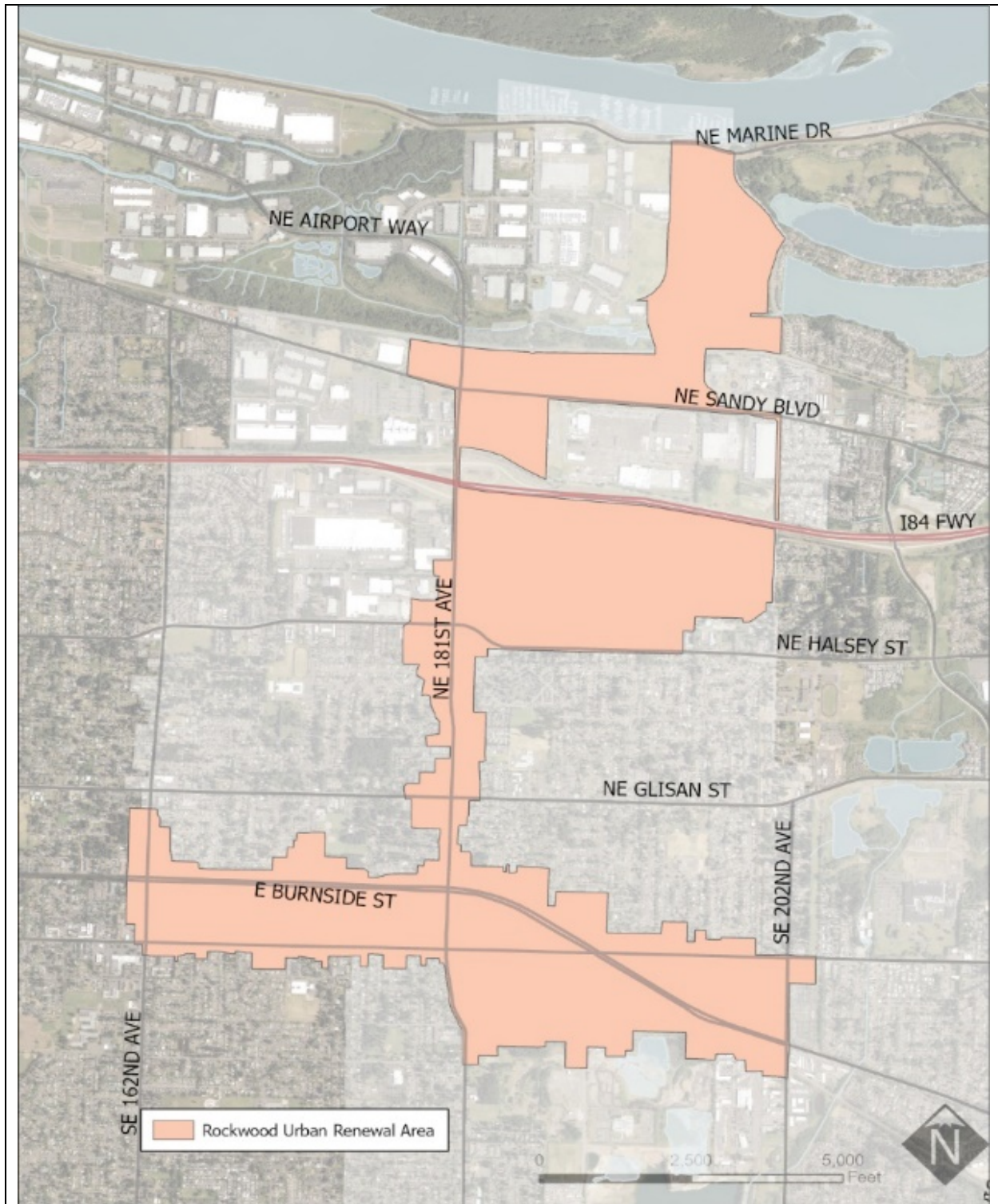
- All debt issued to existing District is to be repaid by June 30, 2023. Notify county assessor to discontinue division of taxes as of July 1, 2023.

	<ul style="list-style-type: none"> • GRDC does not need to refer to the electorate.
Tools:	N/A
Pros:	<ul style="list-style-type: none"> • A return of revenue to taxing districts, including the City of Gresham (City).
Cons:	<ul style="list-style-type: none"> • Some projects outlined in the Plan are not completed. • No new tax increment funds would be received. • Approximately \$37 million of tax increment authority unused. • Leverage of City funds to other taxing district funds is lost.
Community Impact:	<ul style="list-style-type: none"> • Property tax revenue returns to taxing districts and the City's general fund. The approximate revenue returned to the City's general fund is \$1.4 million, but the District loses the ability to leverage the GRDC's taxes imposed of approximately \$6 million. These numbers are based on a 2020/21 tax year example. • Momentum in the District is slowed as additional funds for projects are not available.

SCENARIO 2

EXTEND: Plan and District remains as is with a request to electorate to extend the District expiration from 2023 to 2029 to utilize maximum indebtedness (MI) borrowing capacity of \$92 million dollars, originally approved by the electorate in 2003.

Figure 2: Extend existing District. No geographic changes.



Process:

- Develop outreach and communication strategy.
- Prepare a Level 1¹ Substantial Amendment to the Plan.
- In Gresham, this requires a vote of the electorate.

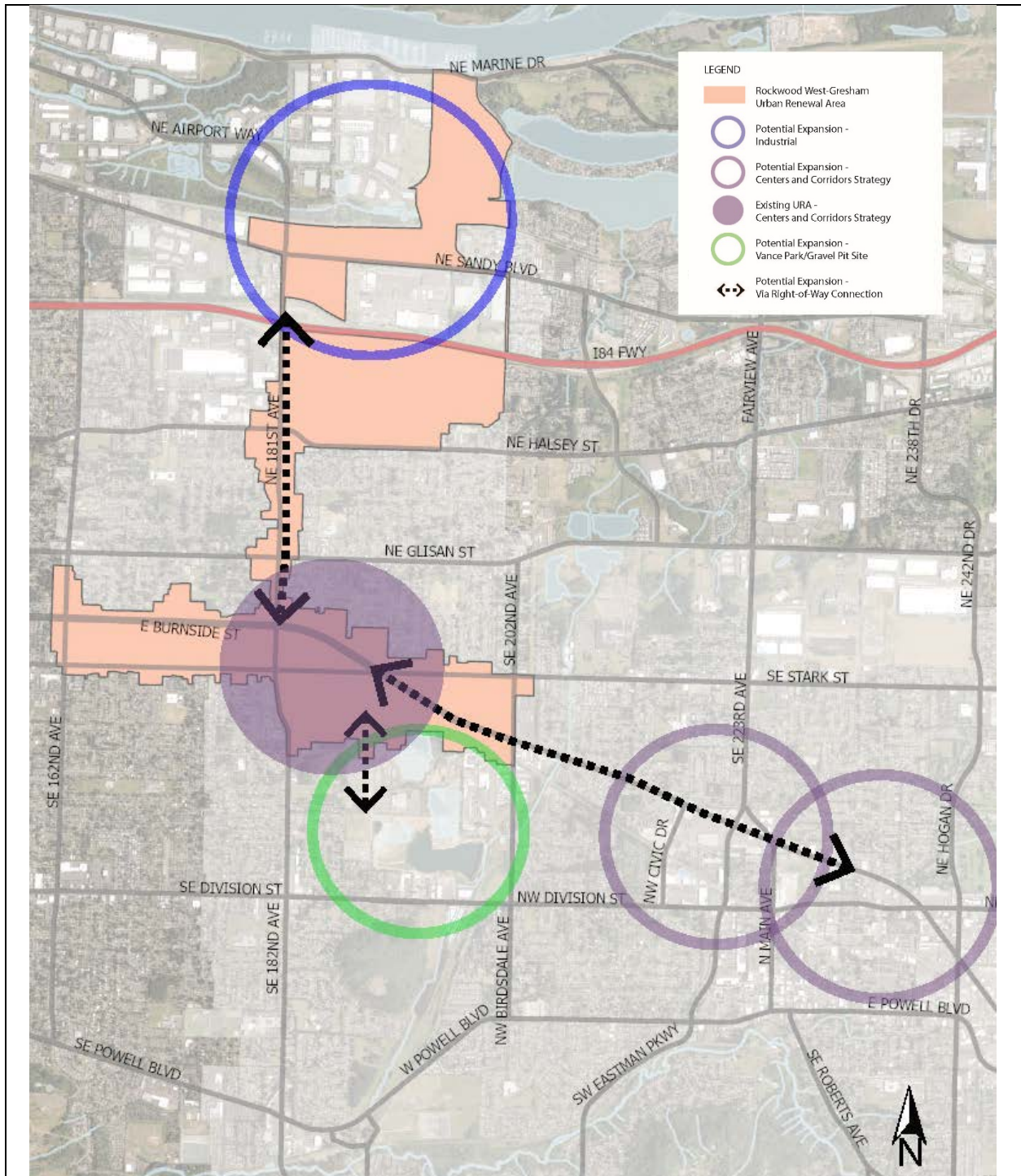
¹ A Level 1 Substantial Amendment requires a non-emergency ordinance and referral to the electorate.

	<ul style="list-style-type: none"> • Present to electorate at May 2022 election.
Tools:	Consider revenue sharing with taxing districts.
Pros:	<ul style="list-style-type: none"> • Remaining MI of approximately \$37 million dollars. • Simplified request to electorate, engagement and referendum are clear. • Reduces conflict with City-related levies/bonds. • Priority projects can be funded. • Provides additional time for the GRDC to review and analyze future expansion of existing District or new districts. • Continue ability to leverage City dollars through the use of urban renewal.
Cons:	<ul style="list-style-type: none"> • Limited funds and limited timeline to spend remaining dollars. • Continues division of taxes for an additional 5-6 years.
Community Impact:	Remaining dollars will be reinvested into the District and continue to support the accomplishments of the existing Plan and projects. Priority projects could include storefront or apartment rehabilitation grants, industrial redevelopment, transportation or park infrastructure, etc. (and other investments as decided through community input).

**SCENARIO 3
(A & B)**

EXPAND (A): Plan and District is expanded by reviewing potential geographic locations near existing District connected via a right-of-way and/or expanding the amount of MI.

Figure 3 (A): Extend existing District and add additional acreage to the existing Plan via a right-of-way connection.



Process:

- Analyze targeted areas to bring into the District. These locations must be connected by an existing right-of-way. Example: Vance Park, Civic Center, Downtown Gresham.
- Prepare a Level 2 Substantial Amendment to the Plan. Substantial amendments that result in an increase in the boundaries of the Urban Renewal Area by more than 1% of the existing Area or that increase the amount of maximum

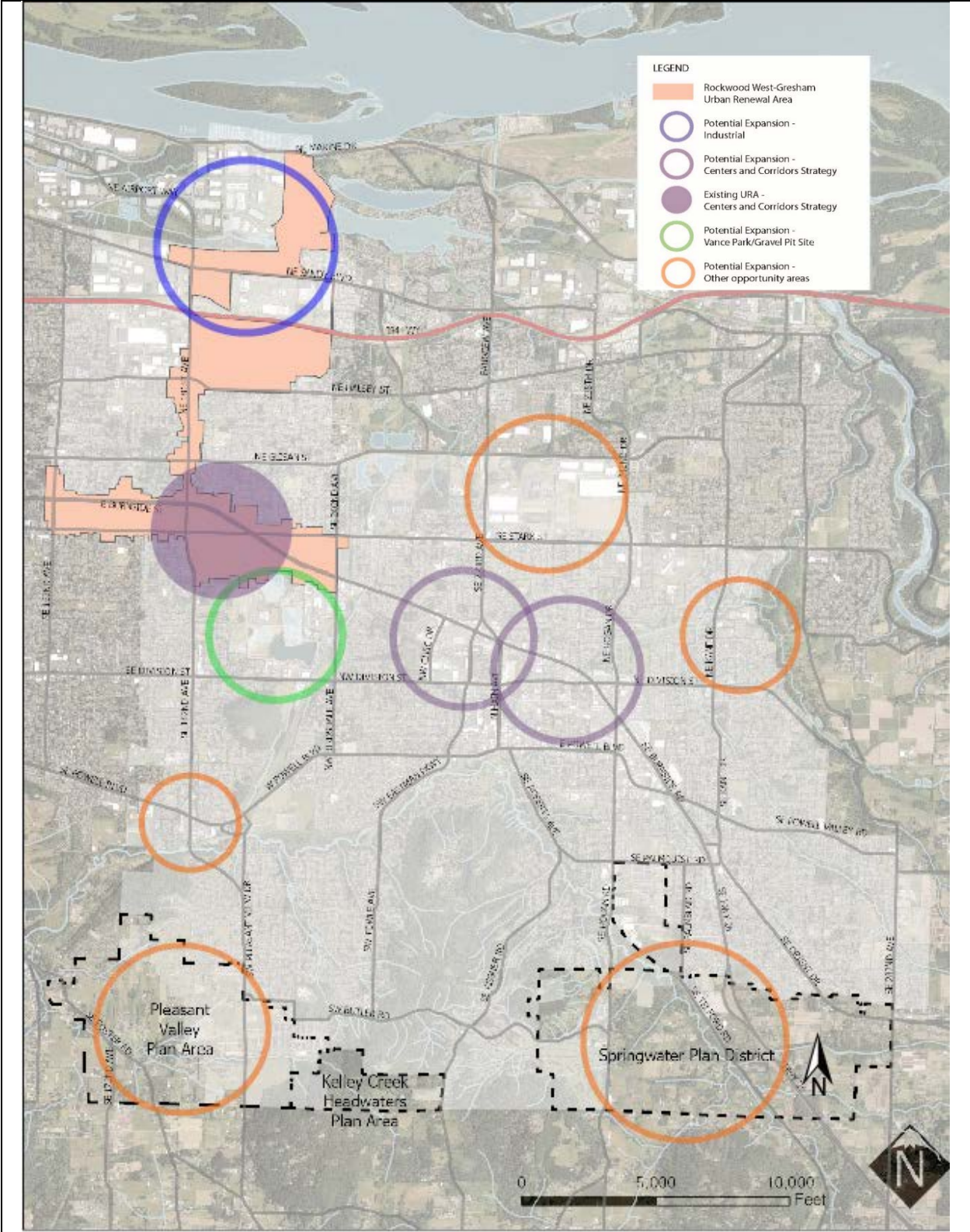
	<p>indebtedness requires the same process of approval as the adoption of an original urban renewal plan: public involvement, GRDC review, Planning Commission review for conformance with the Comprehensive Plan, a City Council hearing with notice to all citizens of Gresham and vote by the City Council on a non-emergency ordinance. The process also requires the GRDC to consult and confer with the impacted taxing districts and a presentation to Multnomah County.²</p> <ul style="list-style-type: none"> • Develop outreach and communication strategy. • In Gresham, this requires a vote of the electorate.
Tools:	<ul style="list-style-type: none"> • Boundary expansion via right-of-way. The size of the City is 15,141 acres. The URA is 7.9% of the City acreage and the City may have up to 15% of the City acreage in urban renewal. There is capacity for an additional 1,071.53 acres to be added to URAs City-wide. If 242.32 acres were allocated to the existing URA, the City would still have 828.21 acres that could be put into new URAs and still comply with statutory limitations on acreage. A decision on boundary adjustments should also include geographic analysis and discussions on future URAs in Gresham. • Maximum Indebtedness Increase: The original MI of an urban renewal plan may be increased by 20% of the original MI as adjusted annually by the inflation rate used in the Report Accompanying the Plan. We do not find an inflation rate in the Report, so have used a conservative 3% inflation rate to provide an estimate. Given this analysis, we believe Gresham could increase its MI by \$33,232,447 if it does this adjustment in the 20th year of the Plan. Increases prior to that will be for lesser amounts. Any increase above this amount must be approved by 75% of taxing districts. • Consider revenue sharing with taxing districts.
Pros:	<ul style="list-style-type: none"> • Allows existing URA to use the full \$92 million in MI authority or increase the amount by an additional \$33 million. • The increase in tax increment allows the jurisdiction to leverage 4x the dollars to invest in target areas. • Develop a more contiguous vision and strategy for development occurring in Rockwood, Civic and Downtown centers. • Additional projects could be undertaken in the community. • Accelerate the timing of necessary infrastructure and transportation projects, to support catalytic projects.

² A level 2 Substantial Amendment requires the full process of public outreach and meetings identified in ORS 457.

	<ul style="list-style-type: none"> • Incentivize development, redevelopment, or major improvements to a property that might not otherwise occur without TIF. • Leverage funding to support diversity in housing. • Leverage funding to support parks and transportation infrastructure. • Frozen base of existing URA remains the same added properties will add to the frozen base.
Cons:	<ul style="list-style-type: none"> • Activities eligible for urban renewal funding are determined by ORS 457 and can limit what can and cannot be funded. Operational expenses cannot be covered with urban renewal funds. • Funding priorities will need to be analyzed to insure there is equitable distribution of District investment. • Division of tax revenues is continued.
Community Impact:	<ul style="list-style-type: none"> • Not a new property tax; there is no financial impact to the community. The increase in tax increment allows the jurisdiction to leverage 4x the dollars to invest in target areas. Voter outreach and strategic communication are essential to ensure initiative support. • Policies and recommendations for anti-displacement strategies should be implemented to mitigate the impacts of gentrification on Black and Indigenous People of Color (BIPOC) communities and businesses.

EXPAND (B): Plan and District is extended by keeping existing District and MI, while expanding the use of urban renewal by proposing new sites or districts in Gresham to be designated as an urban renewal/TIF district.

Figure 3 (B): Extend existing District and add additional acreage to create new districts.



Process:

- The GRDC requests the extension of existing Plan and proposes new district(s) and plan(s).
- Prepare a Level 2 Substantial Amendment to the Plan.

	<ul style="list-style-type: none"> • Adoption of a new plan requires: public involvement, GRDC review, Planning Commission review for conformance with the comprehensive plan, a City Council hearing with notice to all citizens of Gresham and vote by the City Council on a non-emergency ordinance. The process also requires the GRDC to consult and confer with the impacted taxing districts and a presentation to Multnomah County. • Develop outreach and communication strategy. • In Gresham, this requires a vote of the electorate.
Tools:	<ul style="list-style-type: none"> • Limitations of Urban Renewal in Gresham: The size of the City is 15,141 acres. The existing URA is 7.9% of the City acreage and the City may have up to 15% of the City acreage in urban renewal. There is capacity for an additional 1,071.53 acres to be added to URAs City-wide. • Maximum Indebtedness Increase for Existing URA: The original MI of an urban renewal plan may be increased by 20% of the original MI as adjusted annually by the inflation rate used in the Report Accompanying the Plan. We do not find an inflation rate in the Report, so have used a conservative 3% inflation rate to provide an estimate. Given this analysis, we believe Gresham could increase its MI by \$33,232,447 if it does this adjustment in the 20th year of the Plan. Increases prior to that will be for lesser amounts. • A new URA would have its own MI as limited by ORS. • Consider revenue sharing with taxing districts.
Pros:	<ul style="list-style-type: none"> • Allows existing URA to use the full \$92 million in MI authority. • Create a new URA with its own MI. The increase in tax increment allows the jurisdiction to leverage 4x the dollars to invest in target areas. • Additional projects could be undertaken in Rockwood and other focused areas. • Accelerate the timing of necessary infrastructure and transportation projects, to support catalytic projects. Example: Springwater, Pleasant Valley. • Incentivize development, redevelopment, or major improvements to a property that might not otherwise occur without TIF. • Leverage funding to support diversity in housing. • Leverage funding to support parks and transportation infrastructure.
Cons:	<ul style="list-style-type: none"> • For any new district, the frozen base is established when the new urban renewal plan is adopted; the tax increment revenue takes time to increase from this frozen base.

	<ul style="list-style-type: none"> Activities eligible for urban renewal funding are determined by ORS 457 and can limit what can and cannot be funded. Operational expenses cannot be covered with urban renewal funds. Any URA impacts taxing districts, including the City
Community Impact:	<ul style="list-style-type: none"> Not a new property tax; there is no financial impact to the community. The increase in tax increment allows the jurisdiction to leverage 4x the dollars to invest in target areas. Voter outreach and strategic communication are essential to ensure initiative support. Policies and recommendations for anti-displacement strategies should be implemented to mitigate the impacts of gentrification on BIPOC communities and businesses. Additional funding is created to finance community priorities and Council Work Plan items, like housing affordability and financial sustainability.

SUMMARY OF SCENARIOS

Scenario	Scenario Description	Substantial Amendment	Voter Approval Needed
Scenario 1	Expire	No	No
Scenario 2	Extend	Level 1	Yes
Scenario 3 A	Expand existing URA	Level 2	Yes
Scenario 3 B	Extend existing URA	Level 1	Yes
	Expand: Create new URA(s)	Level 2	Yes

A Level 1 Substantial Amendment must be approved by a non-emergency ordinance and then referred to Gresham voters for approval.

A Level 2 Substantial Amendment is subject to the additional requirements of ORS 457 including public input, agency review, Planning Commission review for conformance to the Comprehensive Plan, county briefing and a City Council hearing noticed to all Gresham residents and approval of a non-emergency ordinance, and then referral to Gresham voters.