

CITY OF SILVERTON
ORDINANCE
19-01

AN ORDINANCE OF THE SILVERTON CITY COUNCIL APPROVING THE URBAN RENEWAL DISTRICT EXPANSION AND DIRECTING THAT NOTICE OF APPROVAL BE PUBLISHED

WHEREAS, the Silverton Urban Renewal Agency (the "Agency") has prepared and has sent to the City Council for its approval a substantial amendment to the urban renewal plan for an urban renewal area expansion within the boundaries of the City of Silverton; and

WHEREAS, such Plan and its accompanying Report have been prepared in conformity with the requirements of ORS 457.085 and with public involvement in all stages of the development of the Plan; and

WHEREAS, additional notice of the public hearing on adoption of this Plan has been provided as required by ORS 457.120; and

WHEREAS, the Plan and Report were forwarded to the governing body of each tax district affected by the Plan, with an invitation to meet and discuss the plan, or forward comments on the plan, and any comments received by the Renewal Agency have been responded to, and forwarded to the Council for consideration; and

WHEREAS, the Plan and Report were forwarded to the Silverton Planning Commission for recommendations and the Planning Commission has reviewed the Plan and Report and recommends approval; and

WHEREAS, the Plan and Report were forwarded to the Silverton Urban Renewal Advisory Committee for recommendations and the Urban Renewal Advisory Committee has reviewed the Plan and Report and recommends approval; and

WHEREAS, pursuant to ORS 457.095, the Silverton City Council held a public hearing on January 7, 2019 and February 4, 2019 to review and consider the Plan, the Report, the recommendation of the Planning Commission, and public testimony; and

WHEREAS, the City Council finds the Urban Renewal Plan should be adopted and approved, based on the findings listed below.

NOW, THEREFORE, THE CITY OF SILVERTON ORDAINS AS FOLLOWS:


Section 1: Findings

1. That the area described in the Silverton Urban Renewal Plan is blighted.

2. That rehabilitation and redevelopment is necessary to protect the public health, safety, or welfare of the City of Silverton.
3. That the Silverton Urban Renewal Plan conforms to the City's Comprehensive Plan as a whole, and provides an outline for accomplishing the projects that the Silverton Urban Renewal Plan proposes.
4. That provisions have been made to house displaced persons within their financial means and in accordance with ORS 281.045 – ORS 281.105 and, except in the relocation of elderly or handicapped individuals, without displacing on priority lists persons already waiting for existing federally subsidized housing.
5. That no real property has been identified for acquisition at this time, and therefore, that no findings of necessity have been made at this time.
6. That the adoption and carrying out of the urban renewal plan is economically sound and feasible.
7. That the City shall assume and complete any activities prescribed it by the urban renewal plan.
8. That the Silverton City Council hereby amends the Silverton Urban Renewal Plan by adding the area described attached to this Ordinance as Exhibit "A" and Exhibit "B".
9. That the Silverton City Council relies on the Report on the Silverton Urban Renewal Plan as support for its above-mentioned findings, attached to this Ordinance as Exhibit "C", which is incorporated by reference, the report of the Planning Commission, the public hearing and the entire record before the City Council in this matter.

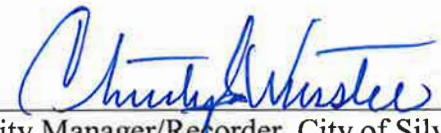
Section 2: This ordinance is and shall be effective within 30 days of its passage.

Ordinance adopted by the City Council of the City of Silverton, this 4th day of March 2019.



Mayor, City of Silverton
Kyle Palmer

ATTEST



City Manager/Recorder, City of Silverton
Christy S. Wurster

Exhibit 'A'

A tract of land situated in Sections 26 & 27 T6S, R1W W.M. Marion County, Oregon and more particularly described as follows:

Beginning at a point in the center of Jefferson Street, said point being 503.45 feet east of a Marion County Brass Cap in a monument box marking the intersection of Jefferson and James Streets, MCSR 26505, located in the southeast $\frac{1}{4}$ of Section 27, Township 6 South, Range 1 West, or the Willamette Meridian, City of Silverton, Marion County Oregon;

Thence South 76 22' East 130.86 feet;

Thence South 89 48' East 761.35 feet;

Thence North 25 feet;

Thence East 1,164 feet;

Thence South 50 feet;

Thence West 1,164 feet;

Thence South 900 feet;

Thence South 10 09' East 181.24 feet;

Thence North 89 59' West 672.56 feet;

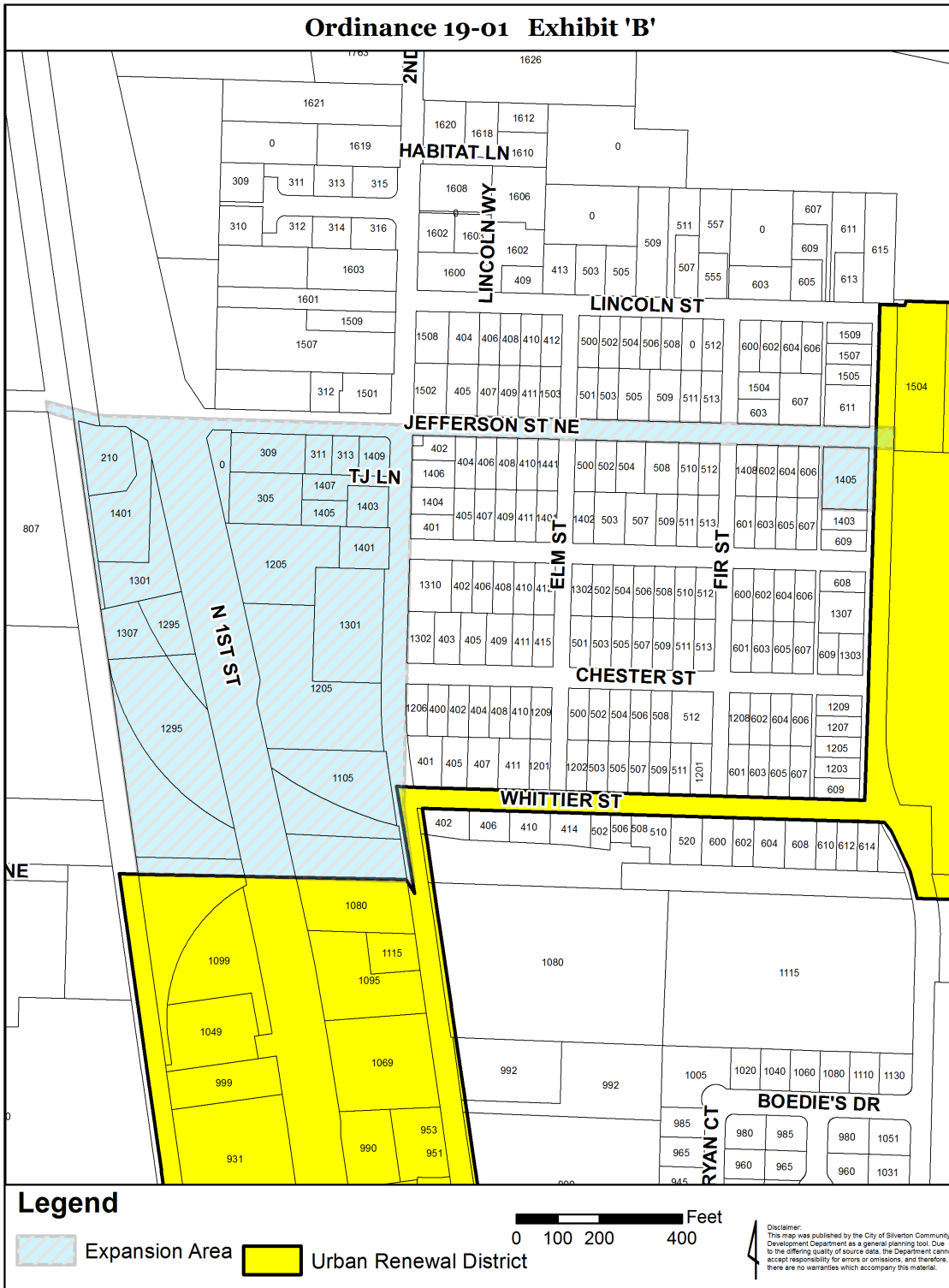
Thence North 09 39' West 1,108.46 feet;

Thence North 76 22' West 65.98 feet;

Thence North 09 39' West 25 feet to the point of beginning.

Also included are Lots 3, 4, & 5, Block H, North Side Addition to Silverton Oregon in the SW $\frac{1}{4}$ of Section 26, T 6 S, R 1 W, W.M Silverton, Marion County, Oregon.

Ordinance 19-01 Exhibit 'B'



City of Silverton

Report on the Silverton Urban Renewal Plan
Boundary Expansion

Prepared

November 2018

Silverton Urban Renewal Agency

2018

Project Background

The City of Silverton created an Urban Renewal District in 2004. The impetus of the Renewal Plan came from the work of a Downtown Revitalization Committee, established by City Council in March 2002. The Silverton City Council formed a citizens committee to lead the process of developing an urban renewal plan. The Silverton Urban Renewal Task Force met six times in public meetings with staff and the City's consultant to discuss and agree on all major elements of the plan — boundary, goals, project activities, cost and revenue projections, and financial impacts on the City and other tax bodies.

It was anticipated that the Renewal Plan would be reviewed periodically during the execution of the Project. The plan may be changed, modified, or amended as future conditions warrant.

A Goal of the Urban Renewal Agency for Fiscal Year 2018-2019 is to complete an Urban Renewal District expansion.

Substantial amendments consist of:

1. Increases in the urban renewal area boundary in excess of one percent (1%,) shall be a substantial amendment requiring approval per ORS 457.095, and notice as provided in ORS 457.120.
2. Increasing the maximum amount of indebtedness to be issued under the plan shall be a substantial amendments requiring approval per ORS 457.095, and notice as provided in ORS 457.120.

The current Urban Renewal District is 264 acres in size. Any expansion over 2.6 acres is considered a Substantial Amendment. No land equal to more than 20 percent (52.8 acres) of the total land area of the original plan shall be added to the urban renewal areas of a plan by amendments. Substantial amendments require the same notice, hearing and approval procedure required of the original plan under ORS 457.095. The governing body of the municipality, upon receipt of a proposed urban renewal plan and report from the municipality's urban renewal agency and after public notice and hearing and consideration of public testimony and planning commission recommendations, if any, may approve the urban renewal plan. An urban renewal plan and accompanying report shall be forwarded to the planning commission of the municipality for recommendations, prior to presenting the plan to the governing body of the municipality for approval.

An urban renewal plan and accompanying report shall be forwarded to the governing body of each taxing district affected by the urban renewal plan and the agency shall consult and confer with the taxing districts prior to presenting the plan to the governing body of the municipality for approval. Any written recommendations of the governing body of each taxing district shall be accepted, rejected or modified by the governing body of the municipality in adopting the plan.

The municipality shall cause notice of a hearing by the governing body on a proposed Substantial Amendment to be mailed to each individual or household of owners of real property that is located in the municipality. The notice required by this section shall contain a statement in plain language that:

- (a) The governing body, on a specified date, will hold a public hearing and consider an ordinance adopting or substantially amending an urban renewal plan;
- (b) The adoption or amendment may impact property tax rates;
- (c) States the proposed maximum amount of indebtedness that can be issued or incurred under the plan or amendment;
- (d) The ordinance, if approved, is subject to referendum; and
- (e) A copy of the ordinance, urban renewal plan and accompanying report can be obtained by contacting a designated person within the municipality.

The intent of the expansion of the Urban Renewal District would be to allow the newly included properties to be eligible for Urban Renewal funds to improve the properties.

The purpose of the Urban Renewal Plan is not proposed to be altered. The Plan Goals and Objectives are not proposed to be changed. The maximum indebtedness is not proposed to be changed. The Projects to be Undertaken list is not proposed to be changed at this time. The only amendment to the Urban Renewal Plan will be the expanded boundary.

The properties within the expansion would then be allowed to apply for grants and loans through the existing URA grant and loan programs. The programs are designed to facilitate building improvements that allow buildings to operate at a higher and better use, façade improvements to facilitate exterior work that improves the aesthetic appearance of the building, and building improvements that increase employment.

Any public projects proposed in the expansion area would have to be added into the plan by following the Urban Renewal Plan Section 1100 Plan Amendments process to be included in the Urban Renewal Plan Projects List.

100. Description of the Physical, Social, and Economic Conditions in the Renewal Area

100A. Physical Conditions

1. Land Area

The proposed expansion area consists of 25 properties totaling 19.77 acres. The expansion area is generally bounded by the north Right-of-Way line of Jefferson Street to the north, the east Right-of-Way line of N 2nd Street to the east, the northern boundary of the existing Urban Renewal District to the south, and the eastern Rail Right-of-Way line to the west. An additional property on the southwest corner of the Jefferson Street and Mill Street intersection is also proposed to be added. As shown in Exhibit 1.

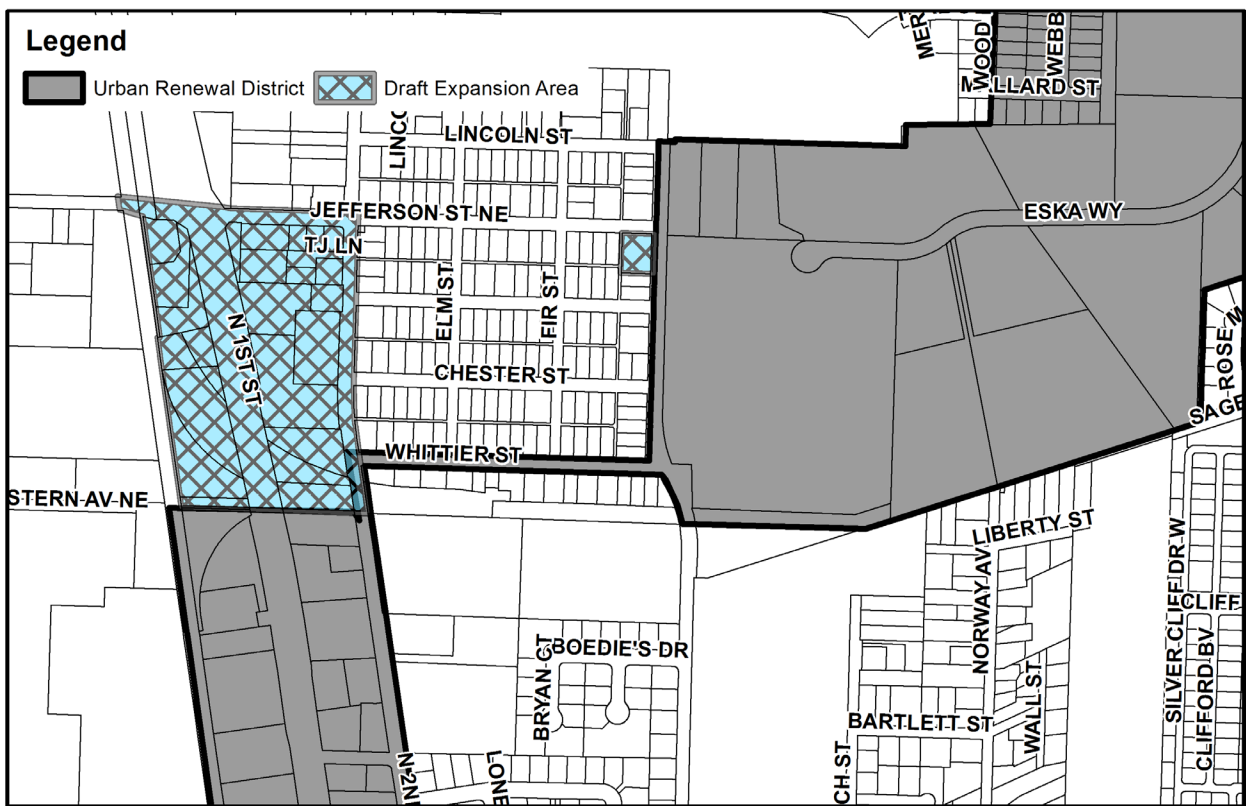


Exhibit 1

No land equal to more than 20 percent (52.8 acres) of the total land area of the original plan shall be added to the urban renewal areas of a plan by amendments. The proposal is to add 19.77 acres, which is below the 20 percent maximum. In addition, the land area of the Urban Renewal Area cannot exceed 25% of the City's land area. The City contains a total of 2,264 acres, which

would allow a maximum district area of 566 acres. The boundary expansion will result in an area below the maximum.

2. Existing Land Use and Development

The Boundary Expansion Area consists of property mostly zoned IP, Industrial Park with seven properties being zoned R-1, Single Family Residential, and two being zoned GC, General Commercial, as shown in Exhibit 2.

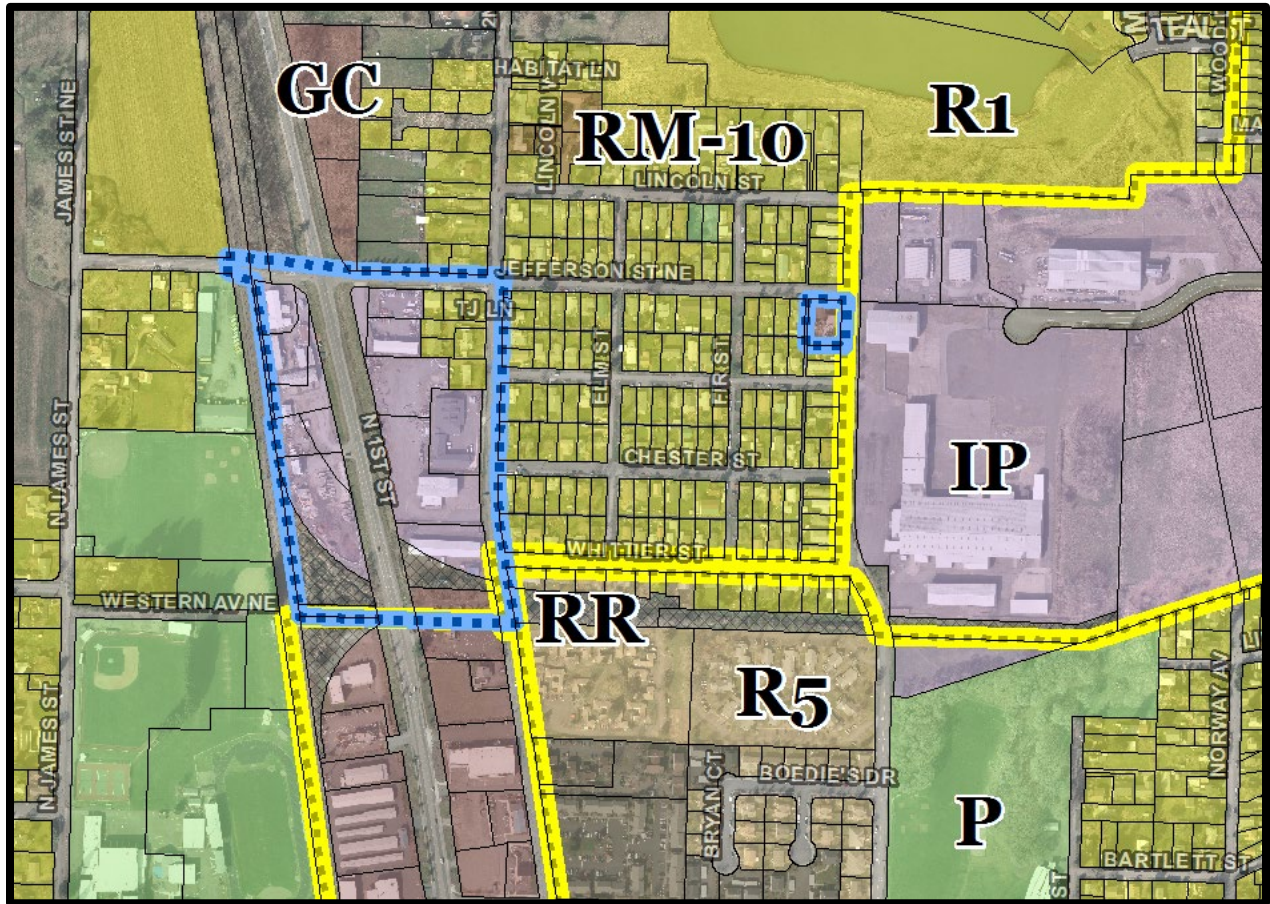


Exhibit 2

3. Building Conditions

The buildings within the Commercial and Industrial Districts were constructed between 1946 and 1997. The average age of the buildings in the boundary is 46 years. The buildings are primarily metal frame with metal roofs. The properties within the boundary have limited site improvements in terms of paved parking areas and landscaping.

4. Conditions – Streets, Sidewalk, and Circulation

The boundary area includes N 1st Street, N 2nd Street, and Jefferson Street. Sidewalks are lacking the entire length of N 1st Street. Sidewalks exist on the south side of Jefferson Street from N 1st to N 2nd Street and extend south on the west side of N 2nd Street 215 feet. The adopted Transportation System Master Plan lists sidewalks on N 1st Street, N 2nd Street and Jefferson Street as projects in the Pedestrian Master Plan. Bike lanes on N 1st Street and N 2nd Street are listed projects in the Bicycle Master Plan. North 2nd Street south of Washington Street is classified as Very Poor in terms of pavement condition. The intersection of N 1st and Jefferson Street is in the design phase for installation of a pedestrian crossing as an Oregon Department of Transportation project.

5. Conditions – Parks, and Public Spaces

No improvements exist or are proposed for the boundary area

6. Water, Sewer, and Storm Drainage Service

There are deficiencies in infrastructure in the urban renewal area. The City's Capital Improvement Program calls for the following improvements to basic infrastructure within the boundary area.

Water

Water Line – Replace 6" water line in Jefferson Street with an 8" line.

Sewer

No improvements are called for in the boundary area

Storm Drainage

No improvements are called for in the boundary area.

7. Conditions – Visual Appearance

The boundary area is proposed in an area that is the northern gateway into town on Highway 214 from Mt Angel/Woodburn. The area consists of primarily older metal buildings that are on average in excess of 40 years in age. The area lacks a strong signifier or statement that one has entered Silverton.

8. Conditions – Land and Building Value

The total assessed value for land within an Urban Renewal District is not allowed to exceed 25% of the total assessed value for land within the City Limits. The total assessed value of land within the City is \$743,735,060, making the 25% maximum \$183,933,765. The current District has an assessed value of \$83,122,780 and the boundary area has an assessed value of \$4,305,860.

The addition of the Boundary area will amount a total of \$87,428,640 and will not exceed the allowable threshold.

9. Conditions – Investment and Utilization of Land

The real market value of taxable land in the boundary area is \$2.29 million and the real market value of taxable improvements is \$5.26 million. The ratio of improvement value to land value is 2.29 to 1. Of the 20 properties that have improvements on the site, seven have improvement to land values less than 1. In other words, there is more taxable value assigned to the land than to the improvements. By this rough measure, fully one-third of the tax lots in the boundary area are seriously underdeveloped. Mature urban areas are expected to exhibit improvement values rations in the 4:1 or 5:1 range. The low rate of investment in the boundary area is very similar to the rate of investment of the original district area.

Permit activity and investment levels for the boundary area are shown in the below table. The construction value of all improvements for the past 10 years represents just 2.8% of the overall improvement value of the boundary area.

Building Permit Activity in Boundary Area		
Year	# of Permits	Construction Value
2018	2	\$32,000
2017	1	\$500
2016	1	\$2,000
2015	0	\$0
2014	0	\$0
2013	0	\$0
2012	1	\$2,500
2011	0	\$0
2010	0	\$0
2009	3	\$18,625
2008	4	\$75,600
2007	1	\$14,600
Total	13	\$145,825

100B. Social and Economic Conditions

Census data for the boundary area is not available. There are few residential properties or residents within the boundary.

200. Expected Fiscal, Service and Population Impacts of the Plan

Expanding the boundary is not expected to result in any additional population growth impacts for the City. The expansion is expected to facilitate planned growth as anticipated in the Comprehensive Plan. The expansion is not expected to result in a need for any additional police, fire, or other emergency services beyond those already contemplated by the City and other service providers.

The expansion is intended to spur investment and reinvestment in an area that has shown a slow pace of investment over the past 10 years. This will help to increase the tax base by increasing property values.

300. Reasons for Selecting the Urban Renewal Boundary Expansion Area

The boundary area was selected based on Silverton Comprehensive Plan goals, objectives, and policies and on the existence of blighting conditions within the area. The project area evidences the following characteristics of blight:

- A lack of proper utilization of land planned for tax producing purposes
- Deficiencies in streets, curbs, sidewalk, and water services in the project area
- Loss of businesses and a declining level of investment in the project area
- A prevalence of low values and lack of investment in the project area, and reduced tax receipts resulting therefrom.

Conditions exist within the boundary area which meet the definitions of blight in ORS 457.010. Threatening these conditions is the reason for selecting the boundary expansion area.

400. Relationship between each Project Activity and Existing Conditions in the Project Area

All project activities described in Section 700 of the Plan are intended to correct the deficiencies described in Section 100 of this Report and summarized in Section 300 of this Report.

1. Assistance for rehabilitation and new development will attract new investment to the area, and improve building conditions and blighted appearance of the area.
2. Streets, curbs, and sidewalks may be improved in the expansion area.

500. Financial Analysis of the Plan

500A. Estimated Project Cost and Revenue Sources

The boundary expansion is not proposing to alter the estimated project costs or maximum indebtedness. The properties within the expansion area will be subject to the same assumptions as the original area. The properties within the expansion area will be added to the area subject to tax increment financing as authorized by ORS 457.

500B. Anticipated Start and Finish Dates of Project Activities

The project activities will begin after adoption of the boundary expansion. The Urban Renewal Advisory Committee and Agency reviews grant and loan applications when submitted by property owners looking to invest in their buildings and properties. As such, project completion will be subject to local economic and market conditions.

500C. Estimated Expenditures and Year of Debt Retirement

The boundary expansion is not proposing any changes to the estimated expenditures or year of debt retirement.

500 D. Impact of Tax Increment Financing

The below table shows the anticipated cumulative incremental values in the expansion area over the remaining life of the Plan and anticipated property tax revenues foregone as a result of taxing bodies not being able to apply their permanent tax rate to those values.

Under the current method of funding K-12 level education, the expansion will not result in revenue losses for those educational units of government.

Impact of Tax Increment Financing

	# of Properties	2018	2019	2020	2021	2022	2023	2024	Totals
		Assessed Val	3%	3%	3%	3%	3%	3%	
Draft Expansion Area	25	\$4,305,860	\$4,435,036	\$4,568,087	\$4,705,129	\$4,846,283	\$4,991,672	\$5,141,422	
		Increment Value	\$129,176	\$262,227	\$399,269	\$540,423	\$685,812	\$835,562	
		Per Year to UR	\$2,112	\$4,287	\$6,528	\$8,836	\$11,213	\$13,662	\$46,638
	Tax Rate	Potential Forgone Revenue							
Marion County	2.8861		\$373	\$757	\$1,152	\$1,560	\$1,979	\$2,412	\$8,233
Silverton	3.4991		\$452	\$918	\$1,397	\$1,891	\$2,400	\$2,924	\$9,981
Silverton Local Opt	0.3484		\$45	\$91	\$139	\$188	\$239	\$291	\$994
Marion Soil & Water	0.0478		\$6	\$13	\$19	\$26	\$33	\$40	\$136
MC Ext & 4H Serv Dist	0.0478		\$6	\$13	\$19	\$26	\$33	\$40	\$136
Silverton FD	0.9919		\$128	\$260	\$396	\$536	\$680	\$829	\$2,829
Silverton FD Bond '15	0.2367		\$31	\$62	\$95	\$128	\$162	\$198	\$675
Silver Falls School	4.3367		\$560	\$1,137	\$1,732	\$2,344	\$2,974	\$3,624	\$12,370
Silver Falls Sch Bond 2	2.177		\$281	\$571	\$869	\$1,177	\$1,493	\$1,819	\$6,210
Willamette Reg ESD	0.2831		\$37	\$74	\$113	\$153	\$194	\$237	\$808
Chemeketa Com Col	0.5972		\$77	\$157	\$238	\$323	\$410	\$499	\$1,703
Chemeketa Com Col Bond	0.2718		\$35	\$71	\$109	\$147	\$186	\$227	\$775
Silver Falls Library	0.5484		\$71	\$144	\$219	\$296	\$376	\$458	\$1,564
Regional Library	0.0781		\$10	\$20	\$31	\$42	\$54	\$65	\$223

500E. Financial Feasibility of the Plan

The estimated costs are not going up as part of the expansion but revenue will increase. Therefore, the financial feasibility of the plan is increased due to the expansion.

600. Relocation

No relocation is anticipated as a result of the expansion.