



City of Oregon City

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Staff Report

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Agenda Date: 2/1/2019

Status: Agenda Ready

To: City Commission

Agenda #: 14e.

From:

File Type: Report

SUBJECT:

Economic Development - Urban Renewal District (Goal 1)

RECOMMENDED ACTION (Motion):

Staff recommends that the City Commission support the efforts of the Urban Renewal Commission to determine how to proceed with the operations and funding of the Oregon City Downtown Urban Renewal District.

BACKGROUND:

Goal 1: Cultivate an Environment for Successful Economic Development

** Determine how to proceed with the Urban Renewal program in Oregon City.*

The adopted urban renewal budget for the current biennial budget (2017-2019) was created in compliance with the citizen initiative language that had been approved, limiting the expenditures of any tax increment to paying down the existing urban renewal debt. The adopted budget also included investment in the Cove development and costs associated with managing and maintaining existing properties owned by the district. The citizen initiative requiring that the tax increment only be used to pay down debt has been found to be invalid by the Circuit Court of Clackamas County. The decision has been appealed to the Oregon Court of Appeals.

Realizing that the decision as to the direction of the Downtown Urban Renewal District is a decision for the Urban Renewal Commission, staff has identified a need for the Urban Renewal Commission to discuss and provide staff direction as it relates to how to proceed with the district and the preparation of the upcoming budget. Determining the disposition, direction and funding of the district is important to the overall economic development activities of the city as well as having a budgetary impact on the general fund. Staff recommends that the City Commission include determining how to proceed with the Urban Renewal Program in Oregon City as a goal over the next two years, even though the discussion and decision will be made by the Urban Renewal Commission.