

To: Tillamook Urban Renewal Agency  
From: Elaine Howard Consulting, LLC  
Re: Substantial Amendment, Amendment 3  
Date: April 4, 2012

### PURPOSE

This is a Tillamook Urban Renewal Plan Amendment (Amendment) to the Urban Renewal Plan (Plan) to add acreage to the Plan area, remove acreage from the Plan area, update the projects list, increase the maximum indebtedness, and update the financial projections for the Plan. The maximum indebtedness is the total amount to be spent on debt for projects and programs including administration through the life of the Plan.

Because the addition of land is more than 1% of the total area, and because the maximum indebtedness is being increased, the amendment is termed a substantial amendment. The Amendment also makes changes to sections of the Plan to update it to be in conformance with present statutory provisions, comprehensive plan and zoning changes and urban renewal best practices as well as updating the projects list. The Tillamook Urban Renewal Agency (Agency) is being asked to forward the Amendment to the Planning Commission for their review for conformance of the Plan with the Comprehensive Plan and to the City Council with a recommendation that the City Council adopt the Amendment.

### BACKGROUND

The Tillamook Urban Renewal Plan was adopted on October 11, 2006 and has been amended twice. The present amendment will add a number of parcels to the Tillamook Urban Renewal Plan Area (Area) as identified below:

- Parcels in the commercial development proposal (Bi-Mart) on Highway 6
- Parcels along Third Street anticipated for future commercial development
- The former Safeway property on Highway 101, presently owned by the City of Tillamook for future use as a park
- The former Tillamook RV Site on Highway 101, presently owned by the City of Tillamook for future use as a park
- Right of way throughout the city for future addition of curbs and sidewalks
- Child Care Center Site
- Significant portions of right of way

The properties to be removed are:

- Post Office
- Carlich House
- Tillamook Hospital and parking lot
- County parking lot
- City shops
- Hoquarton North Property
- ROW to the City Shop

These additions and removals are shown on Figure 1 and Table 3 of the Report. The proposed new Area, that includes the existing urban renewal area and the proposed additions and deletions, is shown in Figure 2. The only property being removed that has assessed value is the Tillamook General Hospital parking lot. This removal will reduce the frozen base of the Area and will have a very small impact on overall tax increment generation, which will be offset by the addition of properties to the Area.

The addition of the parcel on the northeast end of the Area will allow the Agency to gain the property tax revenues from the proposed Bi-Mart development. This will potentially mean a significant increase in tax increment revenues to the Agency, which will enable the agency to move some of the projects in the Plan forward in time.

The Agency is also requesting an increase in maximum indebtedness, the controlling factor in an urban renewal plan. The maximum indebtedness is to be increased by \$2,904,606, that is in conformance with ORS 457. This would increase the maximum indebtedness to \$15,132,606. The term of the Plan is estimated to be until FY 2032. The projected impacts to the taxing jurisdictions with and without the amendment are shown in Table 21 of the Report. The initial urban renewal plan did not take inflation into account when projecting the ability to complete the projects in the Plan. Due to this, there was insufficient funding under the initial maximum indebtedness to complete the projects identified in the Plan. These projects have been updated with updated cost figures and projected with an annual inflation rate of 3.5 percent.

Additional projects that are anticipated as a result of the additions in this Amendment are curb and sidewalk improvements on the rights of way that are added in this Amendment. The projects list is shown in Table 16 in the Report.

## AMENDMENT

The Amendment is considered to be a substantial amendment because it adds property in excess of one percent of the original acreage of the Area and increases the maximum indebtedness of the Plan. A substantial amendment requires the same procedure for adoption as a new urban renewal plan. There are also other changes to the Plan to bring it up to date with current best practices. The significant changes in the Plan are:

- Updating Section 100 The Urban Renewal Plan to list prior amendments and describe this Amendment.
- Updating Section 200 Citizen Participation to add information about Citizen Participation/ Public Input in this Amendment.
- Updating Section 300 Boundary Description to refer to this Amendment.
- Updating Section 400 Relationship to Local Objectives to update it to present standards.
- Updating Section 600 Outline of Development to correct verbiage.
- Updating Section 700 Description of Projects to be Undertaken to describe current projects.
- Updating Section 1200 Maximum Indebtedness to increase the maximum indebtedness to \$15,132,606.
- Adding to the Plan an Attachment B – Comprehensive Plan Goals and Objectives to bring it up to date with the City’s Comprehensive Plan
- Updating maps and legal description in Attachments.

The Amendment is shown in Attachment A.

An updated Report (Attachment B) accompanies the Amendment. It follows the requirements of ORS 457 and analyzes, among other things, the continued existence of blight in the Area and the financial feasibility of the Plan.

### PROCESS FOR TILLAMOOK AMENDMENT

The process of adopting a substantial amendment to the Urban Renewal Plan consists of the following steps:

- Preparation of an Amendment, including the opportunity for citizen involvement.
- Forwarding a copy of the Amendment and the Report to the governing body of each taxing district. (The taxing districts letters will be sent out on April 12, 2012)
- Urban Renewal Agency review of the Amendment and accompanying Report and recommendation to forward the Proposed Amendment to City Council for adoption. (Scheduled for April 11, 2012)
- Review and recommendation by the Planning Commission. (The Tillamook Planning Commission review is scheduled for April 19, 2012.)
- Notice to all citizens of Tillamook of a hearing before the City Council. (Notice will be provided by mailing to a list, as specified in ORS 457.120, on April 12, 2012.)
- Hearing by City Council and adoption of the Amendment and accompanying Report by a non-emergency ordinance. The hearing and date set for vote by City Council is scheduled for May 7, 2012. The ordinance must be a non-emergency ordinance, that means that the ordinance does not take effect until 30 days after its approval and during that period of time may be referred to Tillamook voters if a sufficient number of signatures are obtained on a referral petition.
- Presentation to the Tillamook County Commission (Scheduled for May 9, 2012)

### STAFF RECOMMENDATION

Staff recommends that the Tillamook Urban Renewal Agency forward the Urban Renewal Plan Amendment and Report on the Urban Renewal Plan Amendment to the Tillamook City Council and recommend approval of the Amendment.

Attachments:

- A. Substantial Amendment, Amendment 3 to Tillamook Urban Renewal Plan
- B. Report Accompanying Amendment 3