

REQUEST FOR COUNCIL ACTION



Date Action Requested: (July 7, 2025)

Order ☐ Ordinance ☐ Resolution ☒ Motion ☐ Information ☐ Proclamation ☐

No. 2025-3979

Subject: Authorizing the Mayor and City Manager to execute a new IGA between the city and NURA to allow for the development of a financing instrument for River Street improvements.

Staff: Will Worthey & James Walker
Department: Administration & Legal

Business Session

Order On Agenda:

Hearing Type: Administrative

Is this item state mandated? Yes ☐ No ☒

If yes, please cite the state house bill or order that necessitated this action:

Recommendation:

Staff recommends the approval of the attached resolution so as to facilitate bond financing to improve sections of River Street. See Exhibit A.

A motion could be made to this effect:

“I move to approve resolution 2025-3979 to facilitate the improvement of River Street”.

Executive Summary:

In previous council and budget sessions the River Street capital improvement project was examined. The CM and Finance Director indicated that at the current rate of tax increment funding growth (currently less than \$450,000 per year) it would be at least a decade before NURA projects like the River Street improvement could occur. The option of continuing to do spot repairs on River Street was also considered previously and the consensus was that this interim work might be financially wasteful. This was because we would be spending grind and inlay dollars on a street that ultimately needs to be fully improved.

The execution of the attached IGA would facilitate work on River Street with dispatch. The funding model would have the City secure the debt but would have NURA pay for the debt with tax increment financing. The City would also dedicate SDC revenue to the project to create a maximum pool of \$12.6M to power the project.

Fiscal Impact:

The attached IGA would generate \$6M of a total of \$12.6M towards a complete River Street re-build. The debt would be paid by the urban redevelopment district (NURA) and not with Newberg City transportation dollars. The City has the financial muscle in the form of SDC revenue to power its share of the whole amount. Using our established principles of fiscal conservatism, the initial design work would

be paid for via SDCs and the debt will only be taken out when construction is imminent to seek the best rate possible.

Council Goals:

Continuous Goal A - Ensure Newberg infrastructure (roads, water, city employees) is in good repair and supply.

- Review the capital improvement projects annually.
- Focus on road and sidewalk improvements in Districts 1 & 3

RESOLUTION No. 2025-3979



A Resolution authorizing the Mayor and City Manager to execute a new intergovernmental agreement between the city and NURA to allow for financing River Street improvements.

Recitals:

The recitals are contained in the IGA and are reproduced here for convenience.

- A. Pursuant to ORS 457.190, NURA is authorized to borrow money and accept advances, loans, grants and any other form of financial assistance from a public body for the purposes of undertaking and carrying out urban renewal projects, listed in the Newberg Urban Renewal Plan adopted by the City of Newberg on April 18, 2022, as it has and may be amended (the "Plan").
- B. Pursuant to ORS 457.320 the City is authorized to exercise any of its powers to assist in the planning or the carrying out of an urban renewal plan.
- C. Pursuant to ORS 271.390 the City has the power to enter into financing agreements to finance or refinance real and personal property.
- D. The NURA Citizen Advisory Committee or "CAC" met on July 30, 2024 and reaffirmed that the order and structure of initial NURA projects should follow that listed in the Plan with an emphasis on River Street to make the spaces colloquially known as the Mill Site and Rogers Landing more enticing to visitors.
- E. NURA affirmed the above course of action on August 19, 2024.
- F. The Newberg City Council reviewed and approved River Street as a capital improvement target at the City Council's biennium Capital Improvement Project review on February 3, 2025. No councilors or NURA board members present had misgivings about the selection of River Street improvements as an early NURA objective.
- G. NURA has determined that a borrowing secured by the full faith and credit of the City will provide more beneficial terms to NURA than a borrowing issued directly by NURA and serviced solely by NURA's tax increment revenues for the Newberg Urban Renewal Area (the "Area").
- H. City Staff determined that Newberg Streets System Development funds can be contributed to the Urban Renewal Projects in the approximate amount of \$6 million.
- I. The City desires to finance certain capital projects in the Plan as identified in Section 3 of this Agreement (the "Urban Renewal Projects") with a bond for approximately \$10.9 million (the "Bond"), of which \$6.6 million would be available to spend on projects (the remainder is estimated for interest, issuance, and bond counsel costs).
- J. NURA is committed to using tax increment revenues from the Area to service the debt on the Bond.
- K. The Area is projected to have sufficient tax increment revenues to pay the debt service on the Bond.
- L. The Parties intend to use this debt mechanism to complete the Urban Renewal Projects, which includes projects described in the Newberg Urban Renewal Plan and located on River Street.

The City of Newberg Resolves as Follows:

1. To approve the execution of an IGA to further the cited River Street improvements.

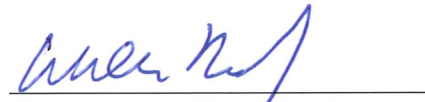
Effective Date of this resolution is the day after the adoption date, which is: July 8, 2025.

Adopted by the City Council of Newberg, Oregon, this 7th day of July, 2025.



Rachel Thomas, City Recorder

Attest by the Mayor this 7th day of July, 2025.



Bill Rosacker, Mayor