



Home of the Tualatin River National Wildlife Refuge

URA RESOLUTION 2011-014

A RESOLUTION AUTHORIZING A PERSONAL SERVICES CONTRACT WITH TASHMAN JOHNSON, LLC FOR THE PURPOSE OF PREPARING FOR A SUBSTANTIAL AMENDMENT TO THE URBAN RENEWAL PLAN TO INCREASE MAXIMUM INDEBTEDNESS

WHEREAS, ORS 457.220 was amended in 2009 to allow an urban renewal agency to amend the urban renewal plan (URP) to include an indexing factor for maximum indebtedness; and

WHEREAS, the Sherwood Urban Renewal Agency (URA) wishes to amend the Sherwood Urban Renewal Plan to include the allowed indexing factor; and

WHEREAS, increasing maximum indebtedness requires a substantial amendment to the Urban Renewal Plan; and

WHEREAS, SURPAC (Sherwood Urban Renewal Plan Advisory Committee met August 11, 2011 and recommended an increase in maximum indebtedness to finance priority projects remaining in the plan; and

WHEREAS, the URA may negotiate with a single source to provide a special service if the prospective contractor has unique skills and or experience that are required for the performance of the services; and

WHEREAS, the URA finds that Tashman Johnson LLC possesses specialized skills uniquely required for the performance of these services and not possessed by other businesses in Oregon as demonstrated by the following:

- Tashman Johnson LLC specializes in assisting cities and counties in Oregon and Washington with urban renewal planning and implementation;
- Tashman Johnson LLC has extensive knowledge and experience with urban renewal plans, especially with financial planning and bond feasibility analysis;
- Jeff Tashman has been working with urban renewal districts since 1979 and began his consulting career in 1991; and
- Jeff Tashman is the author of Policy Guidelines and Administrative Procedures for Oregon, which is relied upon by urban renewal agencies state-wide; and

NOW, THEREFORE, THE SHERWOOD URBAN RENEWAL AGENCY RESOLVES AS FOLLOWS:

Section 1: The personal services contract for preparation of a substantial amendment to increase maximum indebtedness in an amount not to exceed \$17,525 and attached as Exhibit A to this resolution is awarded to Tashman Johnson LLC.

Section 2: The personnel services contract with Tashman Johnson LLC executed on behalf of the URA by the Agency Administrator is hereby ratified.

Section 3: This Resolution shall be in effect upon its approval and adoption.

Duly passed by the Board of Directors for the Sherwood Urban Renewal Agency this 16th day of August, 2011.


Keith S. Mays, Chair

Attest:


Sylvia Murphy, CMC, District Recorder



Tashman Johnson LLC
Consultants in Policy, Planning & Project Management

MEMORANDUM

TO: Tom Nelson
FROM: Jeff Tashman
SUBJECT: Proposal for Substantial Amendment of Sherwood Urban Renewal Plan
DATE: 30 June 2011

I. UNDERSTANDING OF PROJECT

The City of Sherwood's Sherwood Urban Renewal Plan (the "Plan") has a Maximum Indebtedness ("MI") of \$35,347,600.00, of which \$3,307,361.74 remained to be issued as of April 30, 2011. This means that no more than the \$3.3 million, plus proceeds from prior debt and program income, can be spent on urban renewal projects and administration over the life of the Plan. This financial capacity is not sufficient to complete the projects under the Plan and other projects that may be necessary to cure and prevent blight in the Sherwood Urban Renewal Area ("Area"). Because of this, the City of Sherwood ("City") wishes to consider an amendment of the Plan to increase its maximum indebtedness ("Proposed Amendment"). The increase would be limited to an amount which is 20% of the current MI as modified or "indexed" under ORS 457.220(4).¹

The Proposed Amendment is considered a substantial amendment under the Plan and under Oregon statutes. As such it requires the same procedural steps that would be required for a new urban renewal plan and it also requires a report on the Proposed Amendment ("Amendment Report"). The City has asked us to prepare a scope of work and budget for assisting the City and the Sherwood Urban Renewal Agency in preparing the Proposed Amendment and Amendment Report, as well as drafts of related notices and staff reports. Our proposal below includes a proposed scope of work, budget and schedule.

¹ (4) On or after January 1, 2010, the urban renewal agency may amend a plan that is not a large metropolitan plan as defined in ORS 457.470 to increase the maximum indebtedness, provided that:

(a) The aggregate of all amendments under this subsection may not exceed 20 percent of the plan's initial maximum indebtedness, as adjusted pursuant to paragraph (b) of this subsection.

(b) For purposes of computing the 20 percent limit on increases in maximum indebtedness, the initial maximum indebtedness may be increased annually on the anniversary date of initial approval of the plan by the index used in the urban renewal report to compute the future costs of projects that will be financed under the plan, beginning on the later of July 1, 1999, or the first anniversary of plan approval. This increase may be applied only to the first amendment to the maximum indebtedness that is made on or after January 1, 2010.

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II. PROPOSED SCOPE OF WORK

A. Public Involvement

The proposed scope of work includes public involvement, which is required in “all stages in the development of an urban renewal plan.”² In our experience a good way to involve and inform the public regarding the Proposed Amendment is a public meeting prior to beginning the formal adoption process. Additional opportunities for the public to participate will be at the Planning Commission meeting and at the public hearing before the City Council.

B. Draft Urban Renewal Plan Amendment

The essential parts of the Proposed Amendment will be to define the projects that are to be undertaken, determine the costs and urban renewal share of such projects, project future tax increment revenues, estimate the borrowing capacity of these revenues and compare borrowing capacity to projected expenditures. This would provide the basis for a new maximum indebtedness figure but which will be within the statutory 20% limits cited above.

Work on the proposed Amendment would include the following:

1. Inventory Existing Conditions in Urban Renewal Area and Document Conditions of Blight

A substantial amendment of the Plan requires that the City Council find that the Area continues to be a blighted area as defined in statute. There are no precise tests of whether an urban renewal area is blighted or not, but some conditions of blight that were found when the Plan was adopted still remain and others will be inventoried. The inventory of existing conditions will include need for public facilities to support redevelopment, improvement to land value ratios (a measure of whether a parcel is underdeveloped), street and sidewalk conditions, and utility conditions. We will rely on City staff to provide data on street, sidewalk and utility conditions.

2. Determine Necessary Urban Renewal Projects

We will consult with city staff to determine what urban renewal projects and programs are required to complete the Plan and cure and prevent blight in the Area.

3. Determine Project Costs and Urban Renewal Share

We will rely on City staff to provide cost estimates of the projects listed in Task 2.

4. Project Tax Increment Revenues and Borrowing Capacity and Determine Required Maximum Indebtedness

The financial analysis is a critical part of the Proposed Amendment and the Amendment Report, and is the basis for the City Council making a finding that the Proposed Amendment is economically feasible. We will project the tax increment revenues likely to be available for the Plan, identifying and taking into

²(ORS 457.085(1))

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account development and redevelopment opportunity sites, land use regulations and the impacts of the anticipated urban renewal investments.

We will then project the borrowing capacity of the tax increment revenue stream, and provide a suggested schedule of long and short term borrowings. We will coordinate all this analysis with the Finance Director.

5. Review Provisions for Plan Amendments

We will review the current provisions for future plan amendments and discuss with staff whether changes to those provisions may be appropriate. If changes are desired we will draft the necessary language.

6. Draft Proposed Amendment

The elements described above will be compiled into a draft Proposed Amendment, consisting primarily of the elements discussed above and other required elements such as the relationship of the Urban Renewal Plan to local objectives as stated in the Comprehensive Plan and its implementing ordinances and codes.

C. Draft Amendment Report

We will prepare the Amendment Report as required by law³. The report is primarily a technical document that provides background information and is a basis for the findings that the Council must make in adopting the plan. Little public review is normally devoted to the report. It is not adopted by Council and is not legally binding on the Urban Renewal Agency.

D. Adoption Process

The consultants will provide the ordinances, notices and the substance of the staff reports required for adoption of the Amendment. The Planning Commission must review the proposed urban renewal plan (primarily for conformance to the City's Comprehensive Plan) and make a recommendation to Council.

The Proposed Amendment and Report will be sent to the overlapping taxing districts, and the City should offer to meet with representatives of those districts to discuss the potential service demand and property tax revenue impacts. A meeting with the County Board of Commissioners is required, but no action need be taken by the County. We assume City staff will conduct the meetings with the County and overlapping taxing districts.

The Council must hold a public hearing before adopting a non-emergency ordinance approving the Proposed Amendment. Notice of the hearing on the Proposed Amendment must be sent to each individual household in the City. Finally, a notice of Plan adoption must be published and the plan recorded and transmitted to the County Assessor.

The consultants will also prepare summary documents and display graphics for the Planning Commission and Council meetings and will assist in the presentations for these meetings.

³ ORS 457.085(3)

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III. PROPOSED BUDGET

The work will be completed for a fee not to exceed \$17,525.00 on a flat-fee basis. Monthly invoices will cite the progress made on the project and show a percent of completion accomplished in the billing period. Though we propose a flat-fee compensation method, the following table of hours and tasks is the basis for the proposed fee. The Notes in the table show our assumptions on attendance at public meetings.

Task	Hours	Expenses	Cost	Notes
	Tashman			
Public Information Meeting Materials	6		\$ 1,050.00	Tashman available by phone
Preparation of Amendment and Report	55		\$ 9,625.00	
Preparation of Notices and Staff Reports	12		\$ 2,100.00	
Planning Commission Hearing		\$1,000.00	\$ 1,000.00	Subcontractor attends. Tashman available by phone
Council Hearing	10	\$2,000.00	\$ 3,750.00	Tashman attends one hearing
TOTAL			\$ 17,525.00	
Hourly Billing Rates				
Tashman		\$ 175.00		

IV. SCHEDULE

The work can be started immediately and will take 4 months to complete, subject to timely scheduling of public meetings and assuming one Council hearing.