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DEVELOPMENT SERVICES BUILDING

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MEMORANDUM

TO: Board of County Commissioners
Gary Schmidt, County Administrator

FROM: Dan Johnson, Director
David Queener, Development Agency Program Supervisor

DATE: March 29, 2022

RE: Modification to a Funding Agreement Clackamas Fire District #1

As part of a direct investment program desired by the Board of County Commissioners, in 2015 the Development Agency entered into funding agreements with a number of local service providers to provide project funding consistent with adopted urban renewal plans. One Funding Agreement was with Clackamas Fire District #1 where the Agency would provide \$2,500,000 toward the cost of constructing a new administrative building that would be located within the Clackamas Town Center Urban Renewal District. Those funds were disbursed in February 2015.

The Fire District completed some work, which was consistent with the terms outlined in the Funding Agreement. However, during preliminary design for the new administrative building, they determined that a new facility was unnecessary and the existing location was adequate. To date, they have utilized approximately \$1,100,000 of the Agency funding.

The Fire District approached the Agency about needed funding for upgrades to their training facility, which is located within the Clackamas Industrial Area Urban Renewal District. They have proposed returning the remaining unspent funds, approximately \$1,400,000, that were provided from the Town Center district and having that same amount be provided to them from the Clackamas Industrial Area district for the training facility upgrades.

While the levies have terminated in the Clackamas Industrial Area and Clackamas Town Center area and no more revenue is being collected, remaining funds are still being programmed to complete a few remaining projects called out in the various plans.

The Clackamas Industrial Area Plan identifies funds to be used toward a training facility for the Fire District. However, the Plan currently limits the total funding to \$300,000. In order for the Agency to be able to provide the additional funding as requested by the District, a substantial amendment to the Plan must first be completed. Per statute, this is required when a new project is added to the Plan or additional funding to a project exceeds \$500,000.

The general process for completing a substantial amendment includes:

- An analysis to ensure the proposal is consistent with the Plan
- Drafting of the Amendment language
- Communication with overlapping taxing districts
- Providing public notice
- Presentation to and recommendation of the Planning Commission
- Preparation, presentation and approval of a County Ordinance
- Two public hearings before the Board

While we don't have an exact estimate of the cost of an amendment, a substantial amendment was completed for the Town Center District in 2016 and cost approximately \$20,000.

There are sufficient funds within the Clackamas Industrial Area to facilitate this request and pay for any associated cost of the amendment. No General Funds are required.

Should the Board authorize advancing the amendment, staff will work to complete an analysis and prepare the necessary documents for future consideration by the Board.

Once approved, the Fire District will return the unused funds provided from the Town Center District. A new Funding Agreement with the Fire District, which will be presented to the Board for approval, will enable funds to be provided from Clackamas Industrial Area District.