

TO: Clackamas County Planning Commission

FROM: Dan Johnson, Director-Department of Transportation & Development
David Queener, Program Supervisor-Development Agency

DATE: May 22, 2023

RE: CLACKAMAS INDUSTRIAL AREA URBAN RENEWAL PLAN
AMENDMENT

I. PROPOSAL AND ROLE OF PLANNING COMMISSION

The Clackamas Planning Commission is being asked to make a recommendation to the Clackamas County Development Agency Board and County Commissioners regarding the adoption of an amendment to the Clackamas Industrial Area Urban Renewal Plan Amendment. This action does not require a formal public hearing, and the Planning Commission is not being asked to approve the action, but rather make a recommendation. If the public wishes to testify, it is advised to allow for testimony.

The amendment to the Clackamas Industrial Area Urban Renewal Plan includes the addition of a project. This change to the Clackamas Industrial Area Urban Renewal Plan is considered a substantial amendment because it involves the addition of a project that serves a substantially different function from any project, activity or programs currently specified in the Plan and is estimated to cost in excess of \$500,000 adjusted for inflation. Therefore, the amendment must be approved in the same manner as the original adoption of the Plan, including presentation to the Planning Commission.

ORS 457.089(1) the Oregon Revised Statute which governs the requirement for Planning Commission review, is not specific about the role of the Planning Commission in review of an urban renewal plan. ORS 457.089(1) states: “An urban renewal plan and accompanying report shall be forwarded to the planning commission of the municipality for recommendations prior to presenting the plan to the governing body of the municipality for approval under ORS 457.095.”

The general understanding is that the Planning Commission reviews the urban renewal plan amendment for conformance with the comprehensive plan. This staff report has identified the comprehensive plan sections as they relate to the amendment and has summarized the basic findings of fact. This staff report includes a recommendation for approval.

II. BACKGROUND

Clackamas County ceased tax increment collections through division of taxes for the Clackamas Industrial Area Urban Renewal Area (Area) in 2006. Therefore, this Amendment does not have a fiscal impact on taxing districts. The Amendment will not increase the Maximum Indebtedness of the Plan but will allow for expenditure of existing funds to a new project.

The Amendment would add an additional project to the Plan for the Clackamas Fire District No. 1. The project would allow for building improvements. The funding proposed to be provided by the Clackamas County Development Agency (CCDA) is \$1,200,000.

III. CONFORMANCE WITH COMPREHENSIVE PLAN

The Clackamas Industrial Area Urban Renewal Plan Amendment conforms to the following goal outlined in Chapter 7 of the Clackamas County Comprehensive Plan.

Chapter 7 - Public Facilities and Services

o Public Services

▪ Goals

- Support a sufficient level of fire safety and prevention in all areas of the County in order to minimize the risk of fire damage to the life and property of all residents.*

The Clackamas Industrial Area Urban Renewal Plan conforms to the Clackamas Comprehensive plan because Clackamas County and the Clackamas County Development Agency have coordinated with the Clackamas Fire District No. 1 to identify firefighting needs in the Area. The request from Clackamas Fire District No. 1 to help fund the improvements to the training facility was reviewed by staff and has been presented to the Clackamas County Development Agency Board on April 26, 2023 and will be presented to the County Commissioners for review and action on June 22, 2023. By improving the facilities, the County will be supporting the fire district in improving their service capabilities.

IV. STAFF RECOMMENDATION

Staff recommends that the Planning Commission find that the Amendment to the Clackamas Industrial Area Urban Renewal Plan conforms with the Clackamas County Comprehensive Plan and forward the Amendment to the Clackamas County Development Agency Board and County Commissioners for their approval.

V. PROCESS FOR REVIEW

The process for final review of the Plan and Report include the following steps:

April 26	Clackamas County Development Agency Board review
April/ early May	Send formal notice to taxing jurisdictions

June 12 Planning Commission review
Before June 22 Concurrence by impacted taxing districts
June 22 Clackamas County Commission Hearing/Vote

VI. PLANNING COMMISSION MOTION AND VOTE

Recommendation/Suggested Motion:

“I move that the Clackamas Planning Commission find that the Amendment to the Clackamas Industrial Area Urban Renewal Plan conforms with the Clackamas Comprehensive Plan.”

Attachments:

Exhibit A Clackamas Industrial Area Urban Renewal Plan Amendment
Exhibit B Report Accompanying the Amendment to the Clackamas Industrial Area
 Urban Renewal Plan

Exhibit A Clackamas Industrial Area Development Plan Amendment

The following changes are made in the Clackamas Industrial Area Development Plan. Added language is shown in *italics*.

SECTION 100. INTRODUCTION

Describe 2023 Amendment

SECTION 200. DEFINITIONS

No changes to this section.

SECTION 300. BOUNDARY OF THE DEVELOPMENT DISTRICT

No changes to this section.

SECTION 400. NECESSITY, PURPOSE, GOALS & OBJECTIVES

No changes to this section.

SECTION 500. LAND USE AND ZONING

No changes to this section.

SECTION 600. PROJECT ACTIVITIES

615 Community Services

1. Improved Fire Protection

- a. The Fire Board of Clackamas Fire District #71 has identified the need for improved fire fighting capability in the Clackamas Industrial Area. They have completed the third of four phases of construction on a new site centrally located in the Industrial Area on 130th Avenue, south of Highway 212. With the financial assistance of the Development Agency the final phase of construction can be completed more rapidly making the area more attractive to prospective new industries.

The Development Agency's role will be limited to providing a \$300,000 contribution of funds. Design of the facilities, supervision of construction, maintenance and operation will be managed by the Fire District.

- b. *North Clackamas Fire District No. 1 Training Facility. This project will provide funds to assist the Fire District in making improvements to their training facilities located in SE 130th Avenue. Funds are to be used to construct new buildings, renovate existing buildings or on-site improvements. Funds cannot be used to purchase equipment or furnishings. The project serves and benefits the District as it improves the firefighting capabilities for the District. As this project fits the definition in*

ORS 457.010 (12)(a)(A) of a public building, the project is required to be approved three of the four taxing districts that are estimated to forego the most property tax revenue as computed in the report accompanying the proposed plan. The question of concurrence shall be determined by a vote of the governing body of each of the four taxing districts. This Plan no longer takes division of tax revenues, however, the Clackamas County assessor provided information on the tax rates in place for the final year of division of taxes for this Plan. The four taxing districts estimated to forego the most property tax revenues are Clackamas County, Fire District No. 1, County Law Enhancement and North Clackamas School District. The boards of Clackamas County, County Law Enhancement, Clackamas Fire District #1 and the North Clackamas School District have formally approved this project being added to the Plan. Their resolutions are attached to the ordinance adopting the Plan Amendment.

SECTION 700. ACTIONS TO IMPLEMENT THE PLAN

Changes to Section 755 -

~~Pursuant to the provisions of 457.460 the Agency shall by August 1 of each year, prepare a statement containing:~~

- ~~1. The amount of money actually received during the preceding fiscal year under subsection (4) of ORS 457.440 and from indebtedness incurred under subsection (6) of ORS 457.440;~~
- ~~2. The purposes and amounts for which any money received under subsection (4) of ORS 457.440 were expended during the preceding fiscal year;~~

~~An estimate of moneys to be received during the current fiscal year under subsection (4) of ORS 457.440 and from indebtedness incurred under subsection (6) of ORS 457.440;~~

- ~~4. A budget setting forth the purposes and estimated amounts for which the moneys which have been or will be received under subsection (4) of ORS 457.440 and from indebtedness incurred under subsection (6) of ORS 457.440 are to be expended during the current fiscal year; and~~
- ~~5. An analysis of the impact, if any, of carrying out the Development Plan on the tax rate for the preceding year for all taxing bodies included under ORS 457.430.~~

~~The financial report shall be filed with the governing body of the County and notice shall be published that the statement has been prepared and is on file with the County and the Agency and the information contained in the statement is available to all interested persons. The notice shall be published once a week for not less than two successive weeks before September 1 of the year for which the statement is required in accordance with ORS 457.115. The notice shall summarize the information required under paragraphs (1) and (4) above and shall set forth in full the information required under paragraph (5) above.~~

1) Not later than January 31 of each year, an urban renewal agency shall prepare a statement, on the same basis on which its financial statements are prepared, containing:

(a) The amount of moneys received during the preceding fiscal year under [ORS 457.420 \(Plan may provide for division of property taxes\)](#) to [457.470 \(Modification of assessed value\)](#) and from indebtedness incurred under [ORS 457.420 \(Plan may provide for division of property taxes\)](#) to [457.470 \(Modification of assessed value\)](#);

(b) The purposes and amounts for which any moneys received under [ORS 457.420 \(Plan may provide for division of property taxes\)](#) to [457.470 \(Modification of assessed value\)](#) and from indebtedness incurred under [ORS 457.420 \(Plan may provide for division of property taxes\)](#) to [457.470 \(Modification of assessed value\)](#) were expended during the preceding fiscal year;

(c) An estimate of moneys to be received during the current fiscal year under [ORS 457.420 \(Plan may provide for division of property taxes\)](#) to [457.470 \(Modification of assessed value\)](#) and from indebtedness incurred under [ORS 457.420 \(Plan may provide for division of property taxes\)](#) to [457.470 \(Modification of assessed value\)](#);

(d) A budget setting forth the purposes and estimated amounts for which the moneys that have been or will be received under [ORS 457.420 \(Plan may provide for division of property taxes\)](#) to [457.470 \(Modification of assessed value\)](#) and from indebtedness incurred under [ORS 457.420 \(Plan may provide for division of property taxes\)](#) to [457.470 \(Modification of assessed value\)](#) are to be expended during the current fiscal year;

(e) The maximum indebtedness for each urban renewal area included in an urban renewal plan of the agency, including the amount of indebtedness incurred through the end of the immediately preceding fiscal year; and

(f) An analysis of the impact, if any, of carrying out the urban renewal plan on the tax collections for the preceding year for all taxing districts included under [ORS 457.430 \(Certification of assessed value of property in urban renewal area\)](#).

(2)(a) The statement required by subsection (1) of this section shall be filed with the governing body of the municipality and distributed to each taxing district affected by an urban renewal plan of the agency. Notice shall be published that the statement has

been prepared and is on file with the municipality and the agency and the information contained in the statement is available to all interested persons. The notice shall be published once a week for not less than two successive weeks before March 1 of the year in which the statement is filed, in accordance with [ORS 457.115 \(Manner of newspaper notice\)](#). The notice shall summarize the information required under subsection (1)(a) to (e) of this section and shall set forth in full the information required under subsection (1)(f) of this section.

(b) A representative of the agency shall be available to consult with affected taxing districts and respond to questions.

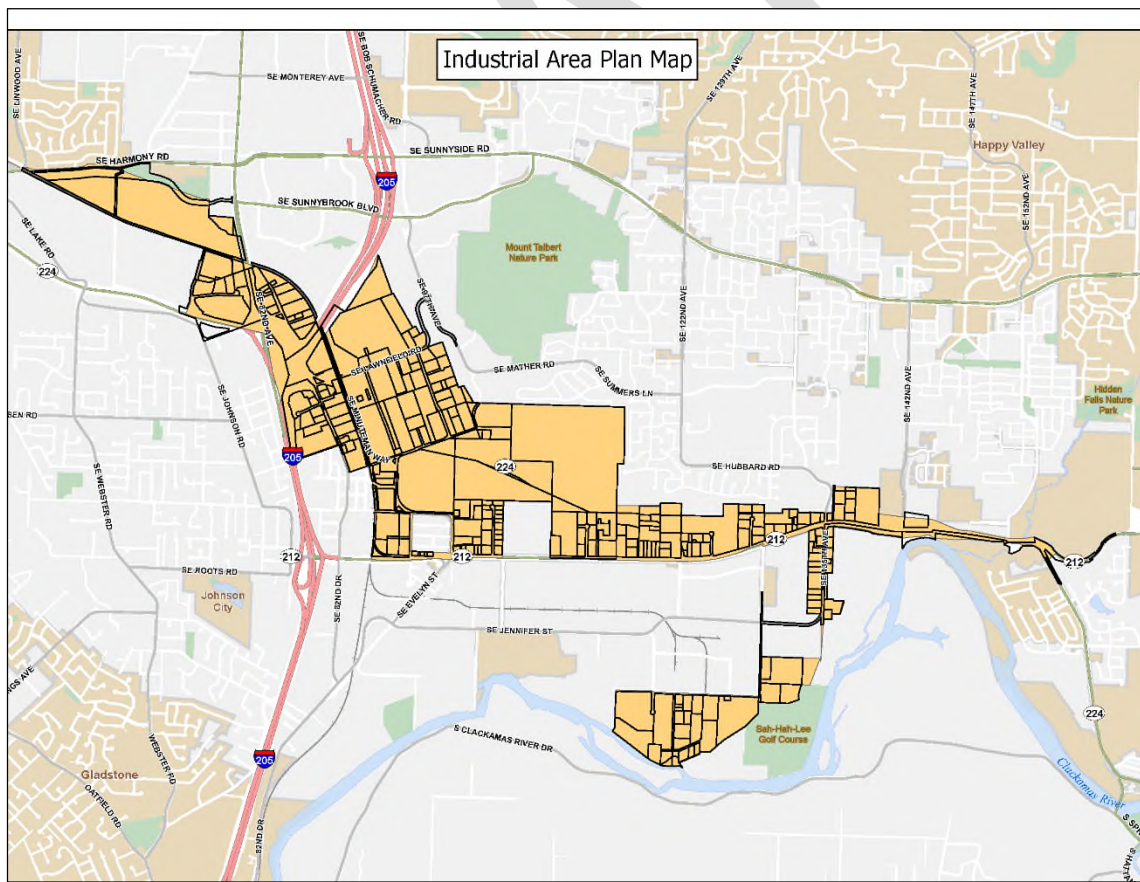
SECTION 800. RESERVED

No changes to this section.

SECTION 900. AMENDMENTS TO THIS PLAN

No changes to this section.

Figure 1 – Clackamas Industrial Area Urban Renewal Area



Source: Clackamas County

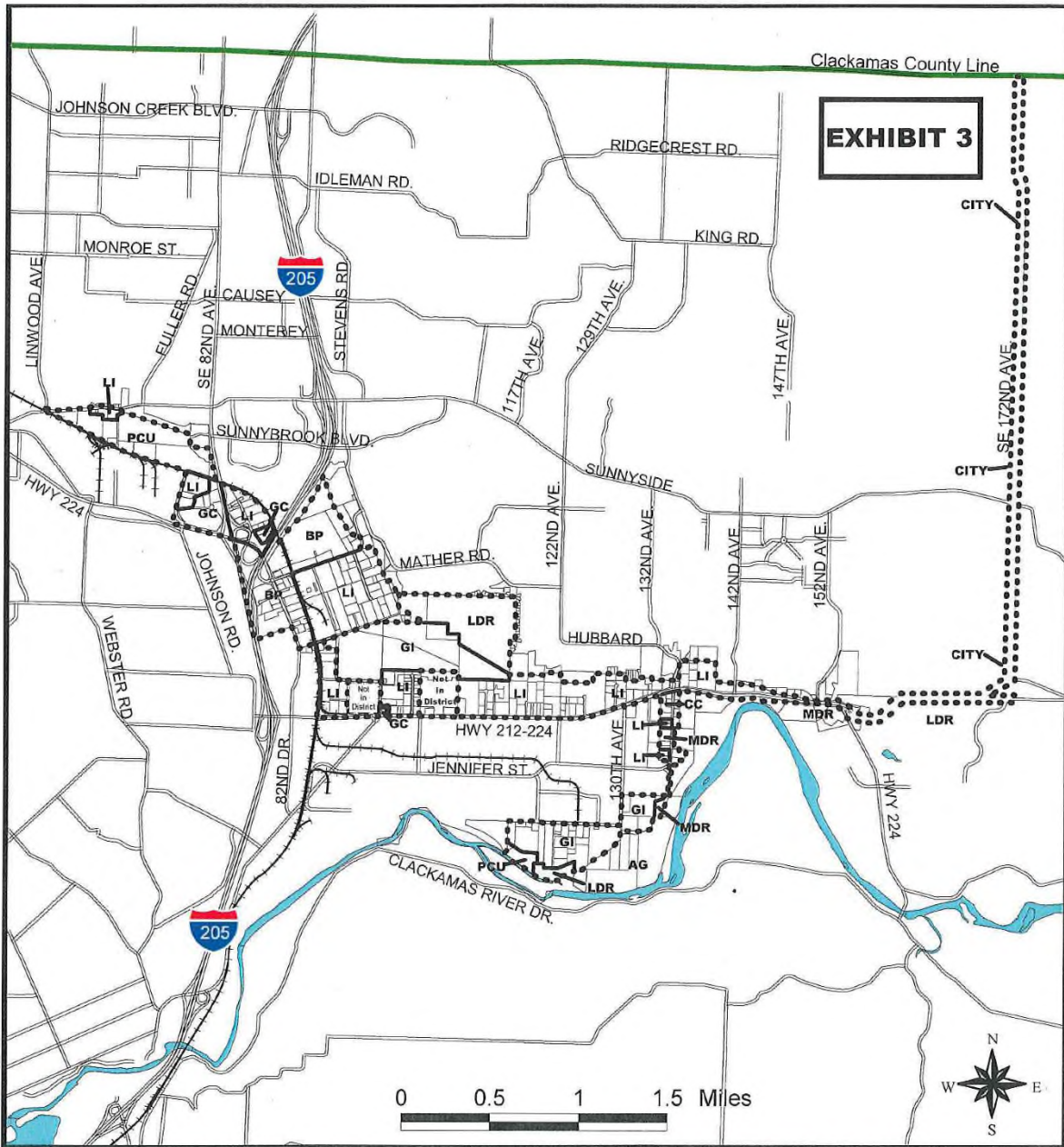


EXHIBIT 3

**CLACKAMAS INDUSTRIAL AREA DEVELOPMENT PLAN
LAND USE PLAN MAP**

..... Urban Renewal Area Boundary	
GI General Industrial	CC Community Commercial
LI Light Industrial	MDR Medium Density Residential
BP Business Park	LDR Low Density Residential
GC General Commercial	PCU Public and Community Use
CITY: SE 172nd is in the City of Happy Valley	

Sept. 2007

REPORT ACCOMPANYING THE 2023
AMENDMENT TO THE CLACKAMAS INDUSTRIAL
AREA URBAN RENEWAL PLAN

DRAFT

Clackamas County
DATE

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SECTION 100 - INTRODUCTION

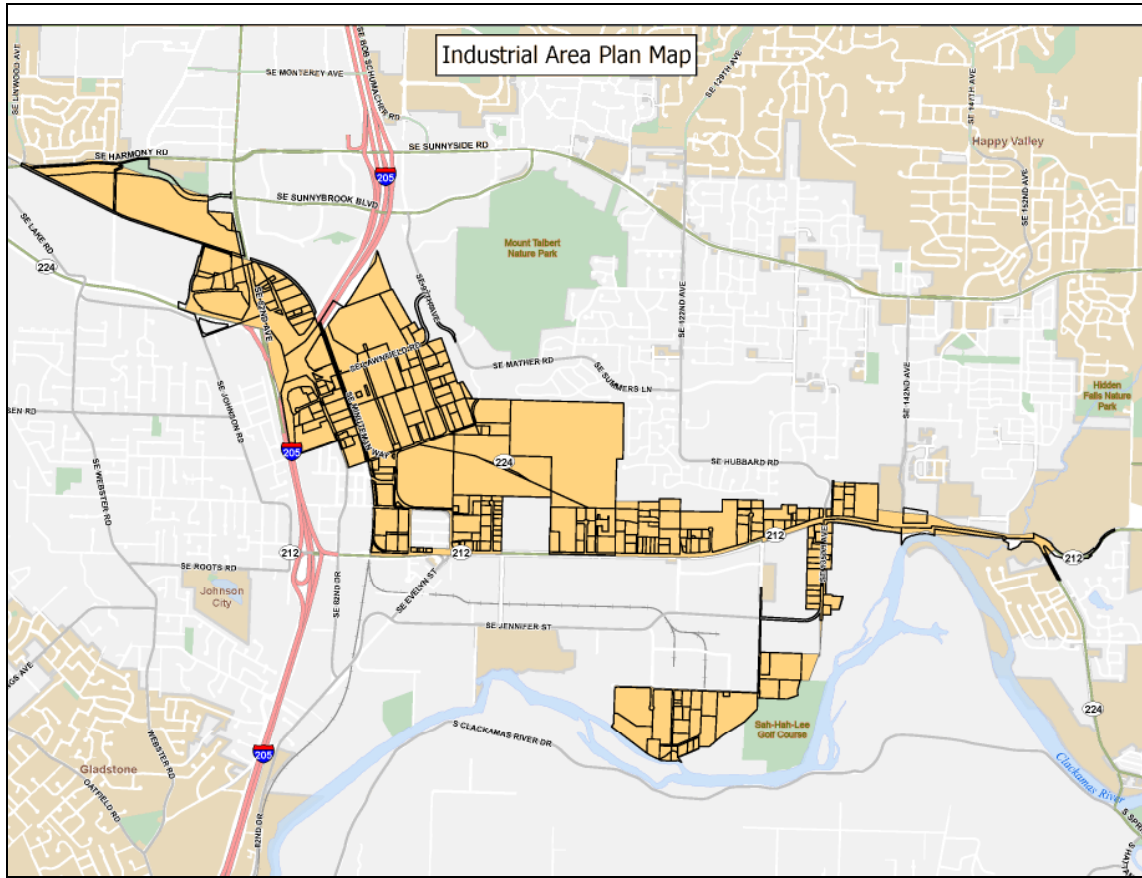
This Clackamas Industrial Area Urban Renewal Report (Report) contains background information and project details for the 2023 Amendment to the Clackamas Industrial Area Urban Renewal Plan Amendment (Amendment). The Report is not a legal part of the Plan but is intended to provide public information and a basis for the findings made by Clackamas County as part of its approval of the Amendment.

The Report provides the information required in ORS 457.087. The format of the Report is based on this statute.

The 2023 Amendment to the Clackamas Industrial Area Urban Renewal Plan adds a project to the urban renewal plan.

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Figure 1 – Clackamas Industrial Area Urban Renewal Area



Source: Clackamas County

SECTION 200 - -EXISTING CONDITIONS

This section of the Report describes existing conditions within the Clackamas Industrial Area Development District.

The District's boundary includes approximately 1,227 acres of primarily industrial land in unincorporated Clackamas County. The District extends from the intersection of SE Harmony and SE Linwood Roads north of the Milwaukie Expressway to SE 172nd Avenue along Highway 212/224. SE 172nd Avenue forms the eastern boundary of the District. It is bounded on the north by the Clackamas Town Center Development District in the vicinity of SE 82nd Avenue and I-205. The bluff north of Highway 212/224 also forms much of the northern boundary except on SE 172nd Avenue, where the northern boundary is the Multnomah County/Clackamas County line. The southern boundary is generally Highway 212/224, but a portion of the District extends south along SE 135th Avenue and includes the former Clackamas Sand and Gravel property and adjacent sites bordering the Clackamas River.

A. Physical Conditions

None of the land uses, zoning or comprehensive plan designations are being impacted by this amendment. The amendment is solely to add a project.

1. Land Use

The Area is composed of 311 individual parcels encompassing 1,015 acres, and additional acres in public rights-of-way. An analysis of FYE 2023 property classification data from Clackamas County was used to determine the land use designation of parcels in the Area. By acreage, Industrial (68.15%) accounts for the most prevalent land use within the Area. This was followed by Tract (13.61%). Detailed land use designations in the Area can be seen in Table 1.

Table 1 - Land Use in the Area

Land Use	Parcels	Acres	Percent of Acres
Industrial	239	692	68.15%
Tract	5	138	13.61%
Residential	19	93	9.18%
Commercial	32	83	8.14%
Miscellaneous	12	5	0.54%
Multi-Family	4	4	0.38%
TOTAL:	311	1,015	100.00%

Source: Compiled by Elaine Howard Consulting LLC with data from Clackamas County

2. Comprehensive Plan Designations

The most prevalent comprehensive plan designation by acreage in the Area is LI (35.50%). The second most prevalent comprehensive plan designation in the Area is Low Density Residential R20 (13.89%). Detailed comprehensive plan designations in the Area can be seen in Table 2.

Table 2 – Comprehensive Plan Designations in the Area

Comprehensive Plan Designations	Tax Lots	Acres	Percent of Acres
Light Industrial	188	360	35.50%
Low Density Residential R20	14	141	13.89%
General Industrial	26	137	13.50%
Business Park	37	121	11.93%
Open Space Management District	5	110	10.81%
IPU – Public Use	2	74	7.31%
General Commercial C3	10	29	2.90%
Campus Industrial IC	10	22	2.12%
Community Commercial C2	12	10	0.98%
Medium Density Residential 1	5	9	0.84%
Medium Density Residential 2	1	2	0.22%
Urban Low Density Residential 8.5	1	0	0.00%
TOTAL:	311	1,015	100.00%

Source: Compiled by Elaine Howard Consulting LLC with data from Clackamas County

3. Zoning Designations

The most prevalent zoning designation by acreage in the Area is LI (35.50%). The second most prevalent zoning designation in the Area is Low Density Residential R20 (13.89%). Detailed zoning designations in the Area can be seen in Table 3.

Table 3 - Zoning Designations in the Area

Zoning Designations	Tax Lots	Acres	Percent of Acres
Light Industrial	188	360	35.50%
Low Density Residential R20	14	141	13.89%
General Industrial	26	137	13.50%
Business Park	37	121	11.93%
Open Space Management District	5	110	10.81%
IPU – Public Use	2	74	7.31%
General Commercial C3	10	29	2.90%
Campus Industrial IC	10	22	2.12%
Community Commercial C2	12	10	0.98%
Medium Density Residential 1	5	9	0.84%
Medium Density Residential 2	1	2	0.22%
Urban Low Density Residential 8.5	1	0	0.00%
TOTAL:	311	1,015	100.00%

Source: Compiled by Elaine Howard Consulting LLC with data from Clackamas County

D. Economic Conditions

Table 4 shows the improvement to land ratios (I:L) for properties within the Area. In the Area 171 tax lots representing 63.89% of the acreage have I:L ratios less than 1.0. In other words, the improvements on these properties are worth less than the land they sit on. A reasonable I:L ratio for properties in the Area is 2.0. Only 68 of the 311 tax lots in the Area, totaling 22.98% of the acreage have I:L ratios of 2.0 or more.

Table 4 - Improvement to Land Ratios in the Area

Improvement to Land Ratio	Parcels	Acres	Percent of Acres
No Improvement Value	94	456	44.94%
0.01-0.50	48	131	12.90%
0.51-1.00	29	61	6.05%
1.01-1.50	42	84	8.26%
1.51-2.00	30	49	4.86%
2.01-2.50	21	79	7.73%
2.51-3.00	20	37	3.60%
3.01-4.00	17	44	4.37%
> 4.00	10	74	7.27%
TOTAL:	311	1,015	100.00%

Source: Compiled by Elaine Howard Consulting LLC with data from Clackamas County

E. Impact on Municipal Services

There is no fiscal impact of tax increment financing on taxing districts that levy taxes within the Area (affected taxing districts) as this urban renewal area is no longer taking division of taxes. This subsection discusses the fiscal impacts resulting from potential increases in demand for municipal services.

Municipality is defined in ORS 457 as any county or any city in this state. The addition of the Clackamas Fire District No. 1 project will impact county services by providing improved firefighting training facilities for the firefighters providing service in the Area.

SECTION 300 - REASONS FOR SELECTING THE DEVELOPMENT DISTRICT

There is no change to this section as no new property is being added to the urban renewal area.

SECTION 400 - RELATIONSHIP BETWEEN PROJECTS AND EXISTING CONDITIONS

The 2023 project in the Area is:

Clackamas Fire District No. 1 Training Facility. This project will provide funds to assist the Fire District in making improvements to their training facilities located in SE 130th Avenue. Funds are to be used to construct new buildings, renovate existing buildings or on-site improvements. Funds cannot be used to purchase equipment or furnishings. The project serves and benefits the District as it improves the firefighting capabilities for the District.

Existing Conditions:

The 130th campus has several short-term improvements needed. The Fire District is developing a capital improvement funding plan, of which urban renewal dollars is part, to complete the following:

- Hard surfaces reconstruction – some of the existing surface is too far damaged to allow for repair/resurfacing.
- To complete perimeter fencing on the property – this will improve site security and improve training (by removing interior fencing and improving training site working space/accessibility)
- To construct training offices/spaces within an existing warehouse structure. This building is on the south end of the property and improvements would provide decades-worth of utility. Such improvements include:
 - Addition of restroom/shower/locker room space to accommodate different genders equitably.
 - Providing sufficient office space for training staff in one location.
 - Provide enclosed training spaces for all-weather training opportunities.

SECTION 500 - PROJECT SCHEDULING, COSTS AND REVENUES

The estimated ending fund balance for FY 2022/23 budget is \$6,131,220¹. This funding is sufficient to cover the \$1,200,000 contribution to the Fire District Training Facility project. The funding allocation would be made in FY 2023/24. The sources of money to pay the projects are funds within the Clackamas Industrial Area Fund maintained by the Clackamas County Development Agency (CCDA). Tax increment division of taxes has ceased in this urban renewal area. No new tax increment funds are being taken from division of taxes to fund projects.

¹ Fund 4451 Budget Spreadsheet provided by Clackamas County 02/16/2023

SECTION 600 - TAX INCREMENT REQUIREMENTS

There are sufficient funds in the Clackamas Industrial Area fund resources to pay for this project. The division of taxes for this Area was terminated in 2006.

The estimated completion date for the project is 2026.

SECTION 700 - POPULATION, SERVICES AND FISCAL IMPACTS

The Clackamas Industrial Area discontinued taking division of taxes in 2006. There is no continued impact on the taxing districts. The improvements to the Clackamas Fire District No. 1 training facility will not impact the population of the Area.

The improvements to the Clackamas Fire District No. 1 training facility will provide for better training for the fire fighters providing service to the Area.

SECTION 800 - RELOCATION

No relocation will occur as a result of the project in this amendment.

SECTION 900 - COMPLIANCE WITH STATUTORY LIMITS ON ASSESSED VALUE AND SIZE OF URBAN RENEWAL AREA

The Clackamas Industrial Area is no longer division of taxes, so this section is not relevant to this Amendment. ORS 457.420 (2)(b)(A) specifically states

(A) The assessed value for the urban renewal areas of the plan, when added to the total assessed value previously certified by the assessor for other urban renewal plans of the municipality for which a division of ad valorem taxes is provided, exceeds a figure equal to 25 percent of the total assessed value of that municipality, exclusive of any increased assessed value for other urban renewal areas and without regard to adjustments made pursuant to [ORS 457.435 \(Property tax collection methods for existing plans\)](#) (2)(c), [457.455 \(Limiting collections\)](#) or [457.470 \(Modification of assessed value\)](#) (2) to (5); or

(B) The urban renewal areas of the plan, when added to the areas included in other urban renewal plans of the municipality providing for a division of ad valorem taxes, exceed a figure equal to 25 percent of the total land area of that municipality.