

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS
(Sitting/Acting as the Board of the Clackamas County Development Agency)

Study Session Worksheet

Presentation Date: January 19, 2016 **Approx Start Time:** 2:45 p.m. **Approx Length:** 45 min.

Presentation Title: Clackamas Town Center (“CTC”) Urban Renewal District: Direct Investment

Department: Department of Transportation and Development, Development Agency

Presenters: Dan Johnson, Assistant Director, Department of Transportation and Development

Dave Queener, Development Agency

Nate Boderman, Assistant County Counsel

Other Invitees: Barbara Cartmill, Director, Department of Transportation and Development

Gary Barth, Director, NCPRD

Ron Steward, Assistant Superintendant of Operations, NCSD

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Staff is seeking Board concurrence on advancement of direct investment partnering opportunities with North Clackamas School District and North Clackamas Parks and Recreation District.

EXECUTIVE SUMMARY:

The Board directed staff to initiate discussions with Clackamas County Fire District (CCFD), Clackamas County Sheriff’s Office (CCSO), North Clackamas School District (NCSD), and North Clackamas Parks and Recreation District (NCPRD) to assess partnership opportunities within the Clackamas Town Center Urban Renewal District. Discussions around these partnerships are more formally known as the Direct Investment Plan.

Two primary objectives are vital in these discussions; the project must be beneficial to the needs of the particular district and found within the Clackamas Town Center Urban Renewal Plan.

While discussions have been underway since 2013 with all of these districts, to date only agreements with CCFD and CCSO have been finalized. Due to a number of unforeseen circumstances, discussions with NCPRD and NCSD have just recently advanced to a point for consideration by the Board.

NCPRD

With discussions on rate and governance resolved for the immediate future, focus has been placed on how best to assist NCPRD. While the Urban Renewal Plan provides great flexibility regarding the provisions of park site development throughout the plan area, discussions have been focused on debt service assistance associated with current NCPRD facilities within the

area. More specifically, debt service currently associated with the North Clackamas Aquatic Center. Assistance of this nature would afford the district the ability to advance early payment of current debt or the ability to redirect district funds currently allocated for debt service to other beneficial uses.

Consistent with previous discussions concerning assistance to CCSO, the plan and state statute allow the urban renewal district to pay debt service to assist in meeting the needs called out in the current plan.

If the Board concurs with this course of action, Agency staff will work with the Board to draft an Intergovernmental Agreement (“IGA”) for future consideration by the Board.

NCS D

For a number of years Agency staff has discussed a variety of options with NCS D, ranging from property acquisition to capital funding assistance. The prolonged discussion has centered on the need to make sure any assistance meets the most immediate needs of the district. Most recently, NCS D has more formally approached the Agency with a request to assist in meeting capital funding needs at Mt. Scott Elementary and Whitcomb Elementary. Various capital improvements, ranging from expansion to safety improvements, are needed at both facilities.

At this time, the district’s most immediate needs appear to be capacity improvements at Mt. Scott Elementary (“Mt. Scott”). While Mt. Scott is located within the plan area boundary, there is not a project within the plan that identifies improvements to that school. As such, the plan would need to be amended to add improvements to the school as a project. To date, the district has not received cost estimates for these improvements but it is assumed they will be less than the total funds directed by the Board.

Additional improvements are also warranted at Whitcomb Elementary. Currently this school is located outside the urban renewal district boundary. In order to direct funds for improvements to this particular school, an amendment to the plan is required that would adjust the current westerly edge of the plan area boundary and add capital improvements at the school as a project.

As this amendment contemplates an expansion of the urban renewal boundary, a major amendment of this nature would require a County wide vote.

Other Considerations

Since discussions regarding the Clackamas Town Center Work Program in 2013, an amendment to reduce the plan boundary has been contemplated as a way to limit any future ability to collect additional revenue. Staff has been mindful of needed discussions with local taxing entities related to Direct Investment partnerships and has delayed moving forward with this effort to assess whether additional amendments, such as those proposed by NCS D, were warranted. Knowing the limits of these amendments, staff is prepared to move forward with a reduction to the Town Center Plan boundary.

Understanding the net result of these amendments is important. While the proposed amendment by NCS D to assist with improvements to Whitcomb Elementary requires a slight increase to the plan area, the proposed reduction to the current plan boundary is significantly larger. The net result of the amendment would be a reduction in the total plan area. Agency staff and counsel are collectively of the opinion that if the amendment results in a net reduction of the plan area, a county wide vote is not required.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES NO

What is the cost? \$1,500,000 to NCPRD and \$2,500,000 to NCSD

What is the funding source? Urban Renewal Funds

STRATEGIC PLAN ALIGNMENT:

- How does this item align with your Department's Strategic Business Plan goals?

Facilities constructed or improved with these funds align with the Department of Transportation and Development Strategic Business Plan's mission for residents, property owners and businesses to experience and invest in a safe, well-designed and livable community.

- How does this item align with the County's Performance Clackamas goals?

Partnerships with NCPRD and NCSD to provide improvements to their facilities are consistent with Performance Clackamas' Strategic Priority to ensure a safe, healthy and secure community.

LEGAL/POLICY REQUIREMENTS:

County Counsel has been a part of discussions to date and will draft any future agreements for Board consideration.

PUBLIC/GOVERNMENTAL PARTICIPATION:

Staff has had ongoing discussions with NCPRD and NCSD throughout the process of identifying partnership opportunities.

OPTIONS:

Consideration #1: How should the Agency advance Direct Investment partnership opportunities with NCPRD?

- 1.) Direct staff to advance Direct Investment partnership opportunities with NCPRD around Debt Service assistance in the form of an Intergovernmental Agreement for future consideration by the Agency Board.
- 2.) Direct staff to assess other partnership opportunities, subject to Agency Board direction.
- 3.) Direct staff to discontinue discussions on partnership opportunities at this time.

Consideration #2: How should the Agency advance Direct Investment partnership opportunities with NCSD?

- 1.) Direct staff to advance an amendment for future consideration by the Agency Board to CTC Urban Renewal Plan that increases the number of viable projects to assist NCSD while also reducing the overall area of the current plan. Efforts shall also include advancing Direct Investment partnership opportunities around capital construction assistance in the form of an Intergovernmental Agreement for future consideration by the Agency Board.
- 2.) Direct staff to assess other partnership opportunities, subject to Agency Board direction.
- 3.) Direct staff to discontinue discussions on partnership opportunities at this time.

RECOMMENDATION: It is respectfully recommended, the Agency Board:

Consideration #1: Direct staff to advance Direct Investment partnership opportunities with NCPRD around Debt Service assistance in the form of an Intergovernmental Agreement for future consideration by the Agency Board.

Consideration #2: Direct staff to advance an amendment for future consideration by the Agency Board to CTC Urban Renewal Plan that increases the number of viable projects to assist NCSD while also reducing the overall area of the current plan. Efforts shall also include advancing Direct Investment partnership opportunities around capital construction assistance in the form of an Intergovernmental Agreement for future consideration by the Agency Board.

ATTACHMENTS:

N/A

SUBMITTED BY:

Division Director/Head Approval _____

Department Director/Head Approval _____

County Administrator Approval _____

For information on this issue or copies of attachments, please contact Dan Johnson @ 503-742-4325.
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