

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: April 26, 2023 **Approx. Start Time:** 11:00am **Approx. Length:** 1/2 hour

Presentation Title: Substantial Amendment to Clackamas Industrial Area Urban Renewal Plan

Department: Transportation & Development – Clackamas County Development Agency

Presenters: Dan Johnson and David Queener

Other Invitees: Elaine Howard (Consultant), Nathan Boderman (County Counsel)

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

The Development Agency is seeking direction on a proposed amendment to the Clackamas Industrial Area Urban Renewal Plan to provide funding to the Clackamas Fire District 1 for the construction of a training facility.

EXECUTIVE SUMMARY:

The Clackamas Industrial Area (CIA) urban renewal levy has terminated and is no longer taking division of taxes. The CIA is operating on funds previously received to complete a number of remaining projects. The Clackamas Fire District No. 1 has requested additional funding to assist in the development of their training facility located within the Clackamas Industrial Area. The proposed urban renewal funding amount of \$1,200,000 will supplement funds from the Fire District to complete this project.

The Urban Renewal Plan, as it is currently written, limits the total amount of funds that can be provided to the Fire District to \$300,000. In order to provide any additional funds, the Plan must first be amended.

This item was previously discussed at Issues on March 29, 2022 and again in a Study Session on September 21, 2022.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES NO FY 23-24

This is in the Clackamas County Development Agency budget under 47520 Pass Thru Payments - Local Governments.

What is the cost?

\$1,200,000 is the projected CCDA contribution to the Clackamas Fire District No. 1 training facility.

What is the funding source?

Funding is from previously accumulated tax increment funds in the Clackamas Industrial Area Urban Renewal Area. No additional tax increment funds are being taken for the district since it was closed for tax increment collections in 2006.

STRATEGIC PLAN ALIGNMENT:

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

This aligns with DTD’s mission to provide services so that future generations can experience and invest in a healthy, safe and livable community.

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

This aligns with the Board goal to provide a strong infrastructure and to ensure safe, healthy and secure communities.

LEGAL/POLICY REQUIREMENTS:

The Clackamas Industrial Area Urban Renewal Plan states that an addition of a new project that performs a substantially different function from any project, activity or program specified in the Plan and is estimated to cost in excess of \$500,000 will be a substantial amendment to the Plan. As this project was not identified in the Plan and is in excess of \$500,000, it is deemed a substantial amendment.

PUBLIC/GOVERNMENTAL PARTICIPATION:

The proposed amendment has been coordinated with Clackamas Fire District No. 1, a taxing district within the Area. Consult and confer letters will be sent to the taxing districts. Approval will be required by the boards of three of the four taxing districts that are estimated to forego the most property tax revenue, though no additional tax revenue will be collected as the levy has terminated, as computed by the report accompanying the plan amendment. These are: Clackamas County, Clackamas Law Enforcement, North Clackamas School District and Clackamas Fire District No. 1.

OPTIONS:

1. Direct staff to advance with an amendment to the Clackamas Industrial Area Urban Renewal Plan to provide funding to Clackamas Fire District No. 1 for a training facility.
2. Direct staff to not advance the amendment as proposed.
3. Direct staff to return to respond to questions the Board may have.

RECOMMENDATION:

Option 1 - Direct staff to advance with an amendment to the Clackamas Industrial Area Urban Renewal Plan to provide funding to Clackamas Fire District No. 1 for a training facility.

ATTACHMENTS:

Attachment A: Amendment to Clackamas Industrial Area Urban Renewal Plan

Attachment B: Report on Amendment to Clackamas Industrial Area Urban Renewal Plan

SUBMITTED BY:

Division Director/Head Approval _____

Department Director/Head Approval *Dan Johnson*

County Administrator Approval _____

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.

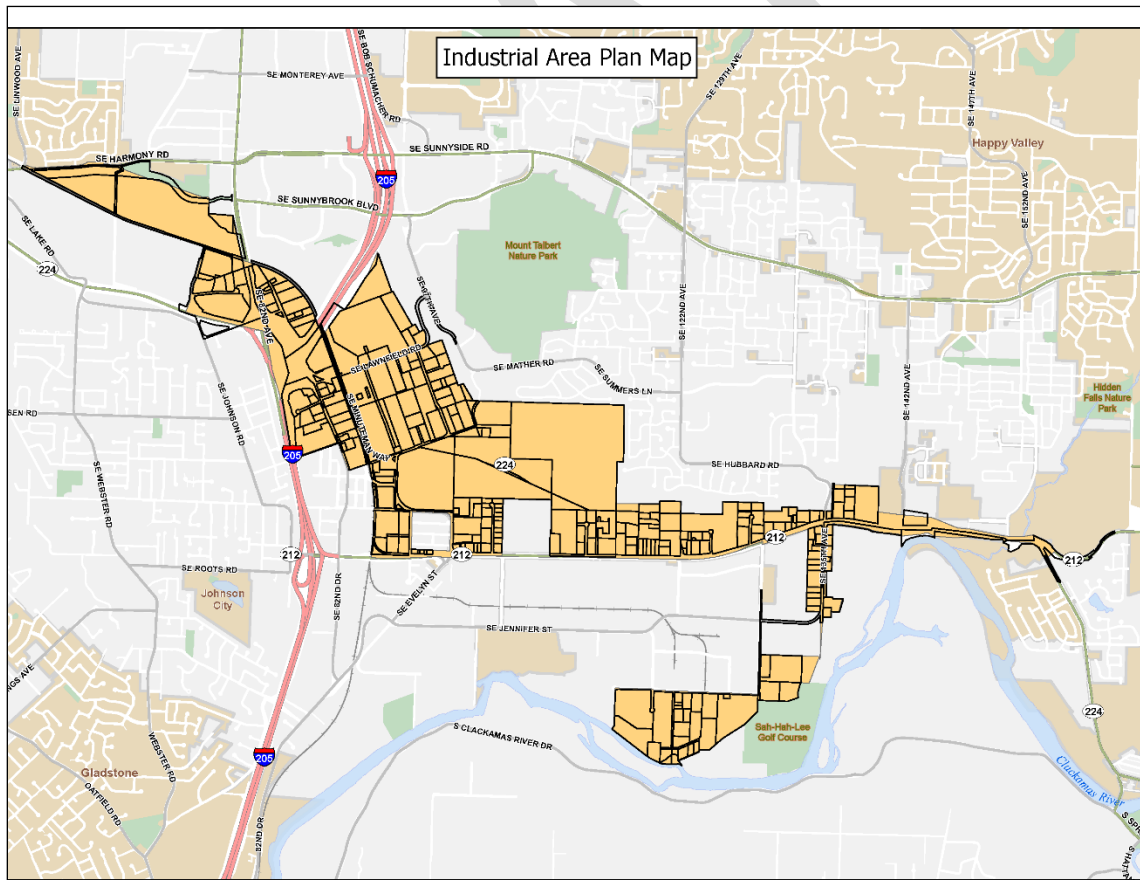
SECTION 800. RESERVED

No changes to this section.

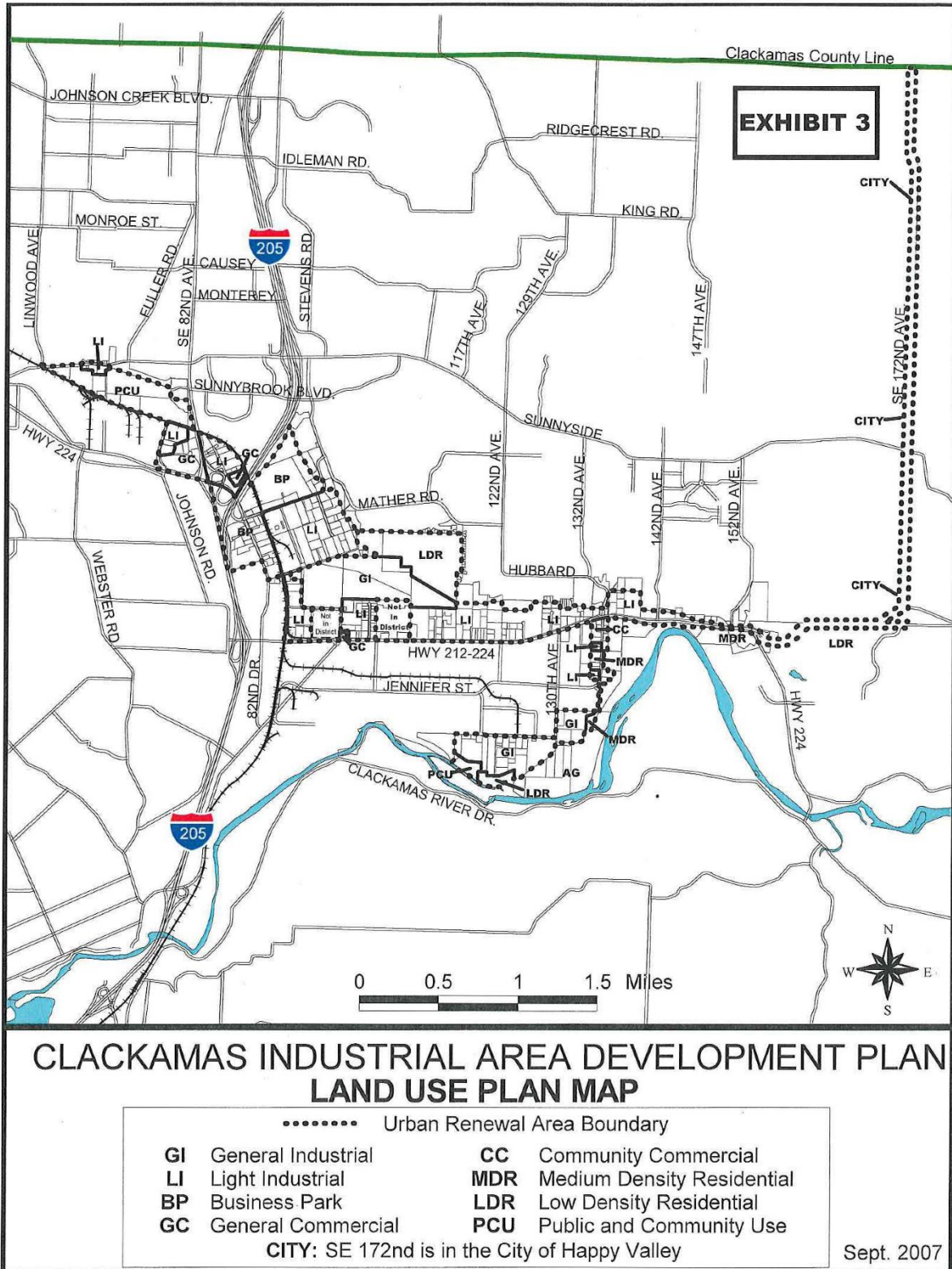
SECTION 900. AMENDMENTS TO THIS PLAN

No changes to this section.

Figure 1 – Clackamas Industrial Area Urban Renewal Area



Source: Clackamas County



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

DRAFT

Clackamas County
DATE

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SECTION 100 - INTRODUCTION

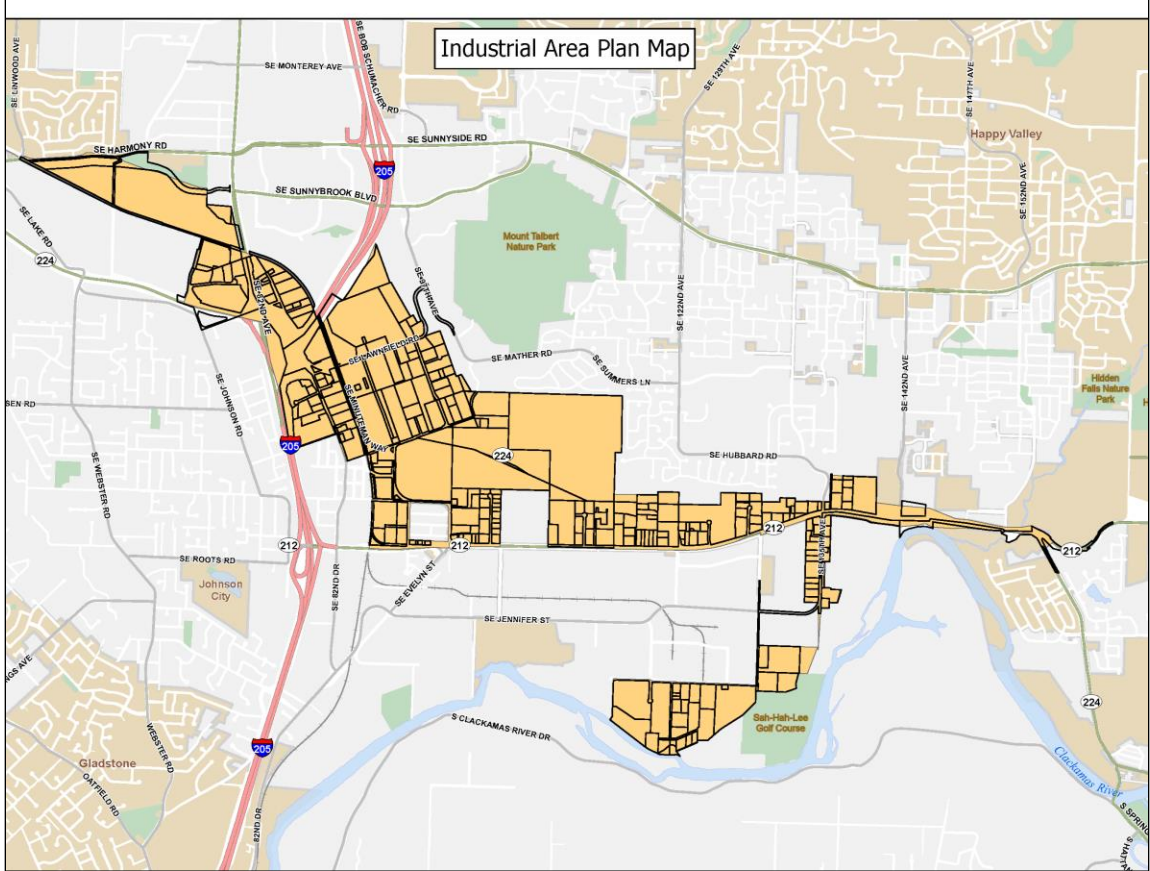
This Clackamas Industrial Area Urban Renewal Report (Report) contains background information and project details for the 2023 Amendment to the Clackamas Industrial Area Urban Renewal Plan Amendment (Amendment). The Report is not a legal part of the Plan but is intended to provide public information and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

Report on Amendment to Clackamas Industrial Area Urban Renewal Plan

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

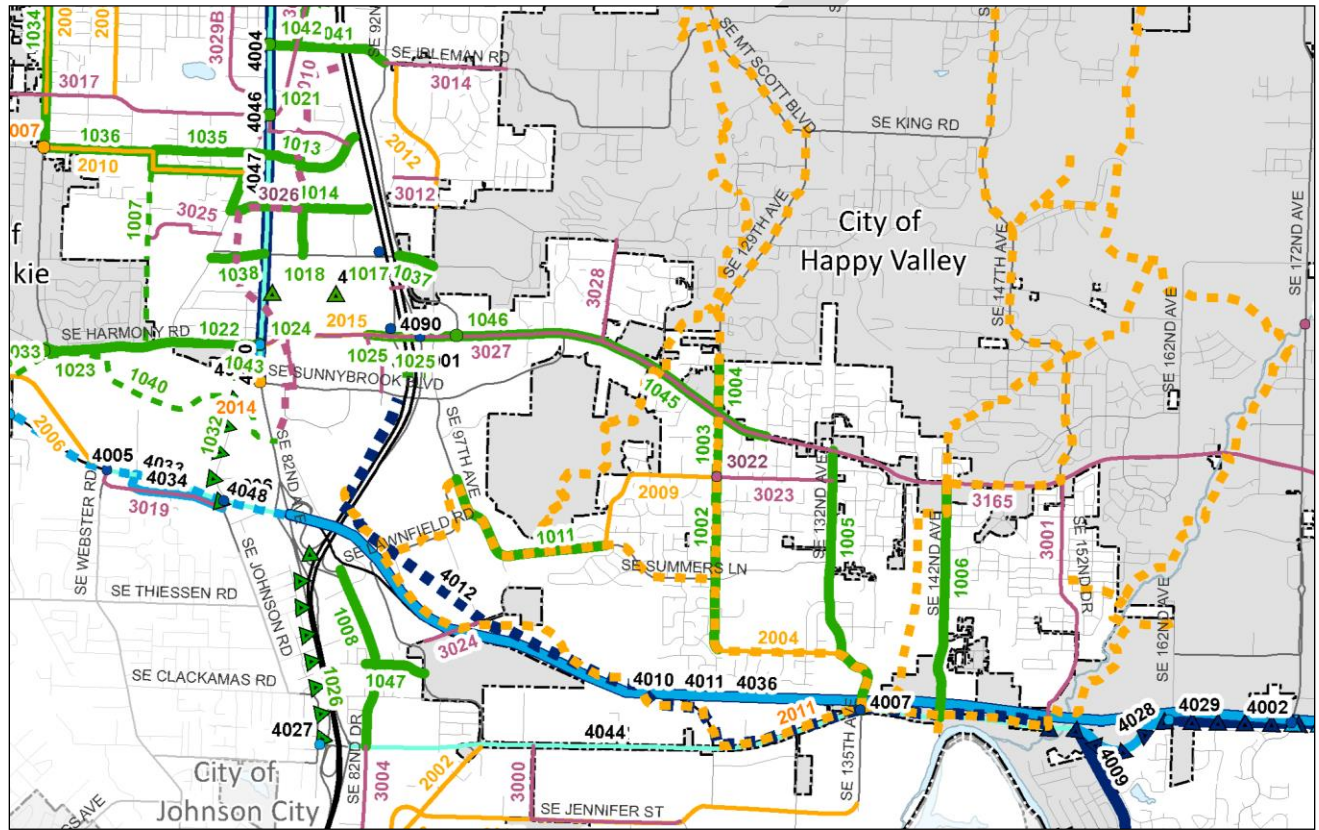
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TOTAL:	311	1,015	100.00%

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

B. Infrastructure

The added project does not change the infrastructure conditions in the Area. There are numerous projects identified for the Area as shown by the capital Improvement Plan map shown below. Green highlights indicate 20 year projects, gold highlights are preferred capital projects. Dotted lines are multi-use paths.

Figure 2 – Capital Improvement Plan



C. Social Conditions

The additional training facilities will provide higher quality training for the firefighters who are protecting property and responding to emergencies in the Area.

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.