



MINUTES
KEIZER URBAN RENEWAL AGENCY
Monday, October 17, 2011
Keizer Civic Center
Keizer, Oregon

CALL TO ORDER

Agent Clark called the session to order at 7:00 p.m. Roll Call was taken as follows:

Present:

Cathy Clark, Chair Pro Tem
Jim Taylor
Joe Egli
Brandon Smith
David McKane

Staff:

Chris Eppley, City Manager
Shannon Johnson, City Attorney
Nate Brown, Community Development
Marc Adams, Police Chief
Tim Wood, Assistant Controller
Tracy Davis, City Recorder

Absent:

Lore Christopher
Mark Caillier

PUBLIC TESTIMONY

None

PUBLIC HEARING

None

ADMINISTRATIVE ACTION

a. RESOLUTION – Authorization for Appropriation Transfer for Urban Renewal Consultant and Legal Fees

Assistant Controller Tim Wood explained that the resolution is in response to the last work session regarding the Urban Renewal District. The request is for authorization to move forward with some consulting fees related to making a plan amendment to the Urban Renewal District.

City Manager Chris Eppley noted that the City could sunset the District and pledge all revenues associated with the District against the City's bond obligations plus additional revenues to stay on track with paying down the principal model, and the City would have to take action to foreclose on properties at Keizer Station. The problem is that the remedies associated with getting the City whole are out of City control because of the unknown factors of market conditions, property values, and when properties could be sold. In pledging money from the General Fund the City would be significantly reducing the ability to perform its mission over the lifespan of the debt, which would be catastrophic.

Another scenario would be to just "wait and see" which would push the issue to a future generation who would have to deal with a major liability which would have a significant impact on the community.

He explained that other cities have issued debt but Keizer cannot do this due to state statutes; larger communities can absorb the cost over a period of years. He added that he felt it was the City's obligation to sunset the District, but in this instance, Keizer Station Area A is in the Urban Renewal District, Urban Renewal Funds were the catalyst for success of the project, and Urban Renewal revenues received are related to the increased value associated with the increased values of the area because of the development. Therefore it is an Urban Renewal project that needs to be resolved within the District.

Agent Egli expressed a desire that other options be explored so that extension of the Urban Renewal District could be ruled out. Agent McKane pointed out that this resolution would be to hire a consultant and continue discussion on the best approach.

Mr. Eppley noted that the consultant would write the amendment which would be voted upon by the Agency and Council. He explained that this was not a "bail out"; the City has a risk associated with not staying on the debt defeasance schedule. The developer who is responsible for the default will receive significant penalty because he will be forfeiting property and the rights to a portion of the debt reserve at the end of the debt defeasance which is nearly \$1 million. This is a timing issue; the City needs to address this soon enough to keep the amount due low enough to be paid and then remedy the situation by taking advantage of market swings and timing.

City Attorney Shannon Johnson explained that foreclosure of the properties will not be affected by the plan for using Urban Renewal Funds; those properties need to be acquired and those funds used.

Community Development Director Nate Brown added that acting now would preserve flexibility so that possibly funds can be returned to the overlapping Districts and other decisions can be made. The difficulty is that the short time frame requires that a decision be made quickly; additional decisions and opportunities may become available but if this opportunity is not taken now, it will be lost.

Agent Taylor noted that he had been in favor of sunsetting the Urban Renewal District for his entire tenure on the Council but to not start this process and to look at real solutions would be irresponsible and would likely put the City in insolvency in the future.

Agent Smith clarified that discussions with consultants have been underway for many months and added that he was comfortable that the early legwork had been done.

Mr. Epley explained that the City anticipates receiving the funds that would close out the District in December so this decision needs to be made prior to that time.

Agent Clark confirmed that action taken tonight would not prevent the Agency from moving forward with a different option. Mr. Epley clarified that the Agency could choose not to collect in any budget year. If another scenario presents itself, the Agency could take that opportunity. This action is really a matter of preserving options as solutions are analyzed.

Agent Taylor moved to adopt a Resolution - Authorization for Appropriation Transfer for Urban Renewal Consultant and Legal Fees. Agent Smith seconded.

Agent Clark offered a friendly amendment to remove the word "discontinuing" from the last paragraph since the River Road Renaissance program concept will not be discontinued, but the appropriations will not be allocated at this time. Amendment was accepted by Agents Taylor and Smith.

Amended motion passed unanimously as follows:

AYES: Smith, McKane, Taylor and Clark (4)

NAYS: Egli (1)

ABSTENTIONS: None (0)

ABSENT: Christopher and Caillier (2)

CONSENT CALENDAR

- A. Approval of August 8, 2011 Urban Renewal Agency Minutes
- B. Approval of August 24, 2011 Urban Renewal Agency Minutes
- C. Approval of September 2, 2011 Urban Renewal Agency/City Council Special Session Minutes

Agent Egli pulled Item B.

Agent Taylor moved to approve Items A and C of the Consent Calendar. Agent Smith seconded. Motion passed as follows:

AYES: Smith, McKane, Egli, Taylor and Clark (5)

NAYS: None (0)

ABSTENTIONS: None (0)

ABSENT: Christopher and Caillier (2)

Agent Taylor moved to approve Item B of the Consent Calendar. Agent Smith seconded. Motion passed as follows:

AYES: Smith, McKane, Taylor and Clark (4)

NAYS: None (0)

ABSTENTIONS: Egli (1)

ABSENT: Christopher and Caillier (2)

OTHER BUSINESS None

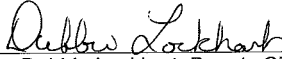
ADJOURNMENT

With no further business the meeting was adjourned at 8:28 p.m.

APPROVED:

~ Absent ~

Lore Christopher, Chair



Debbie Lockhart, Deputy City Recorder

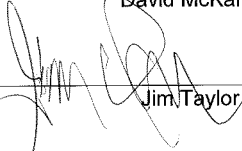
AGENCY MEMBERS



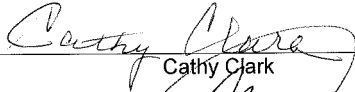
David McKane

~ Absent ~

Mark Caillier



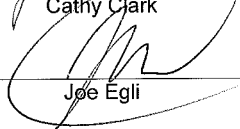
Jim Taylor



Cathy Clark



Brandon Smith



Joe Egli

Minutes approved: November 7, 2011