

# HERMISTON CITY COUNCIL

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Work Session

June 24, 2019

Mayor Drotzmann called the work session meeting to order at 6:00pm. Present were Councilors Hardin, Gutierrez, Kirwan, Barron, Myers, Smith, and Davis. Councilor Primmer was excused. Staff members in attendance were City Manager Byron Smith, City Attorney Gary Luisi, Mark Morgan, Chief Edmiston, Mark Krawczyk, Clint Spencer, and Lilly Alarcon-Strong. Media present were Jade McDowell from the East Oregonian and Michael Kane from NE Oregon Now.

## **Local Improvement District (LID) vs. Urban Renewal Area (URA)**

Assistant City Manager Mark Morgan and City Planner Clint Spencer gave information regarding North Retail Development concepts and what the differences between a Local Improvement District (LID) and an Urban Renewal Area (URA) in this development concept would look like (PowerPoint Presentation Attached).

The Concept would include a 15 acre piece of property with Highway 395 frontage that is adjacent to Walmart, but can expand from North First Street to NE 4<sup>th</sup> Street and W Theater Lane to W Elm Street.

By forming an LID, the tax revenues generated from the impacted area properties would pay for the improvements; and, if the council chooses to expand the size of the district, it could allow for additional street infrastructure improvements as well. Mr. Spencer and Mr. Morgan also gave information regarding combining LID and URA concepts.

After some discussion, Mayor Dave Drotzmann asked that City Planner Spencer and Assistant City Manager Morgan return to the Council with cost estimates from the City and ODOT regarding street infrastructure, as well as cost estimate comparisons for LID vs URA.

Mayor Drotzmann ended the work session at 6:55pm. The Councilors took a short recess before the regular City Council meeting convened at 7:00pm.



# HERMISTON CITY COUNCIL

## North Retail Development Concepts





# History

- Retail development strategies are a council goal for 2019
- A potential new urban renewal district has been proposed for targeted public improvement construction
- Early concept and draft feasibility report prepared in 2017







# First Study Area





# Findings

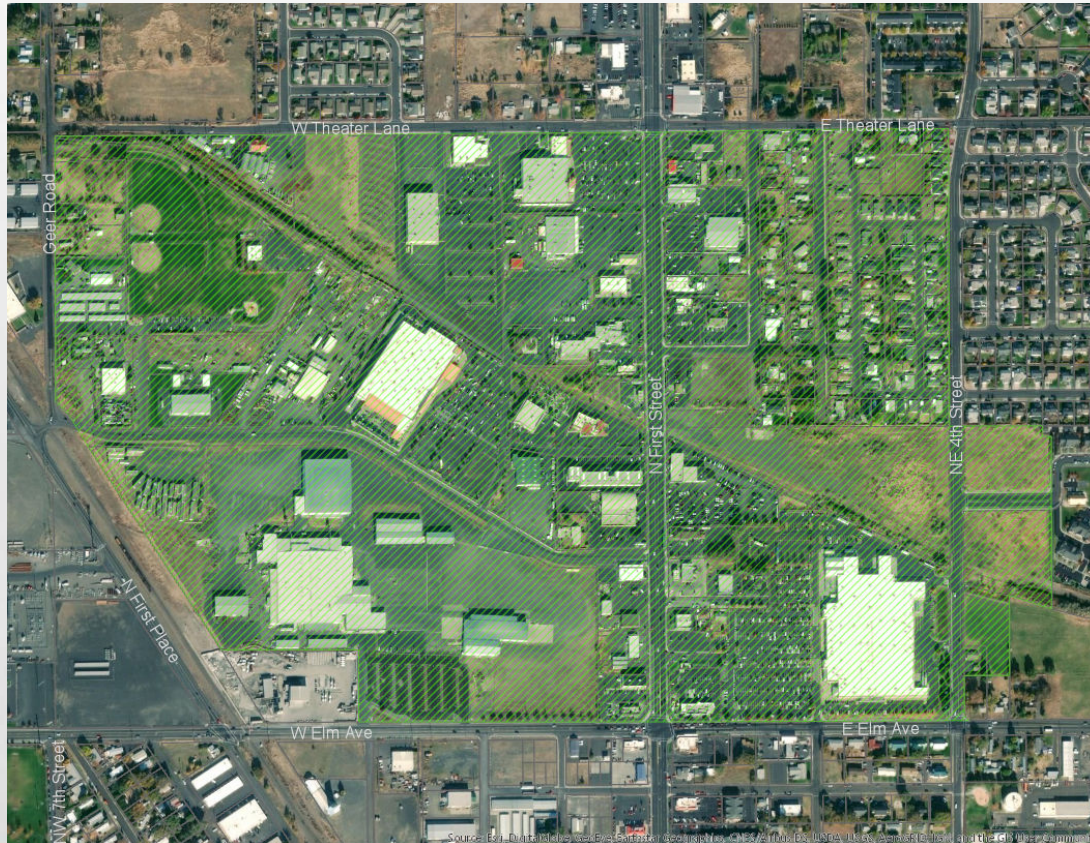
- An urban renewal district can fund this targeted project
- Existing underdeveloped area comprising about 15 acres of bare land with highway frontage
- Subsequent development of bare land can provide enough revenue to fund construction of new streets and potentially a signal







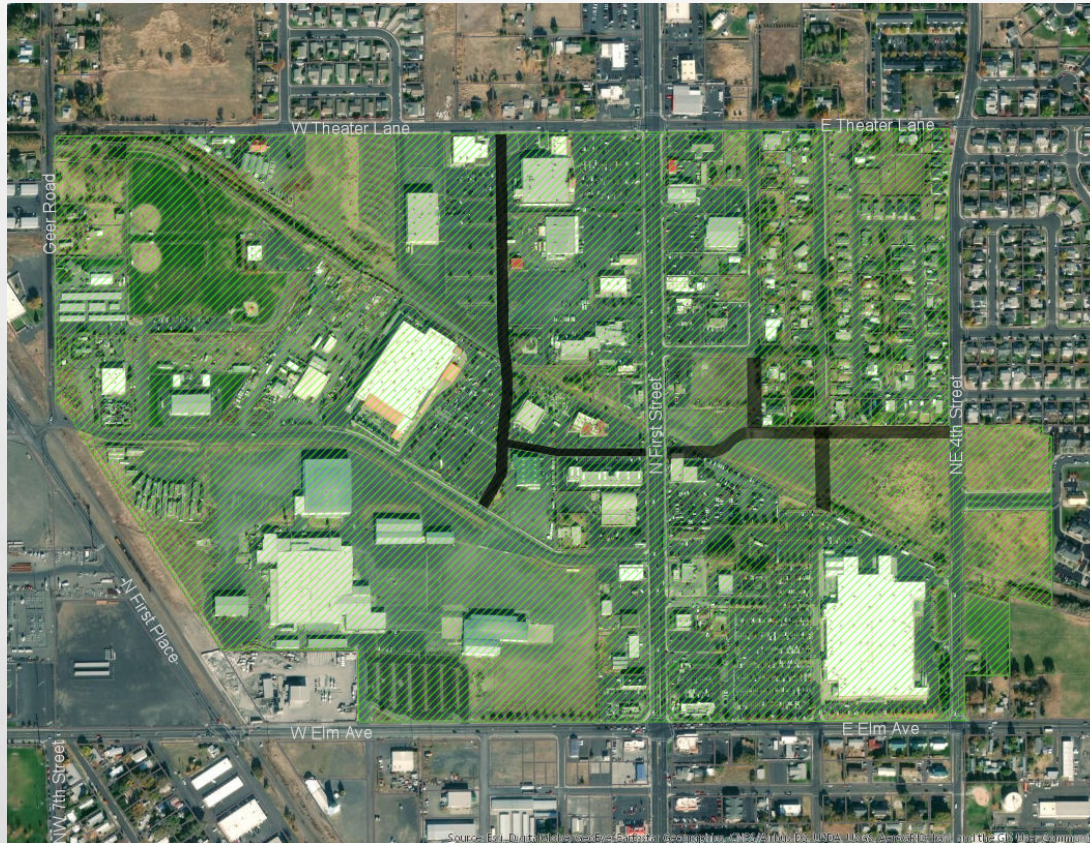
# Thinking Bigger







# Thinking Bigger





# Advantages

- Scalable projects
- Can be funded in numerous ways
  - Urban renewal
  - Local improvement district
  - Capital improvement funds
- Creates new connections and better off-highway circulation for existing retailers
- Provides new connections to encourage new retailers and redevelopment







# Urban Renewal vs. Local Improvement District

- What's the difference?
- Urban renewal
  - Also called tax increment financing
  - Future increases in assessed value are sole source of funding
  - Diverts future property taxes into special fund to be used solely for specific projects within district
  - No increase in property taxes to property owners in district
  - No decrease in current tax revenues but future revenues are foregone for the life of the district (usually 20 years)
  - Ability to construct improvements is dependent on increases in value which are hard to forecast





# Urban Renewal vs. Local Improvement District

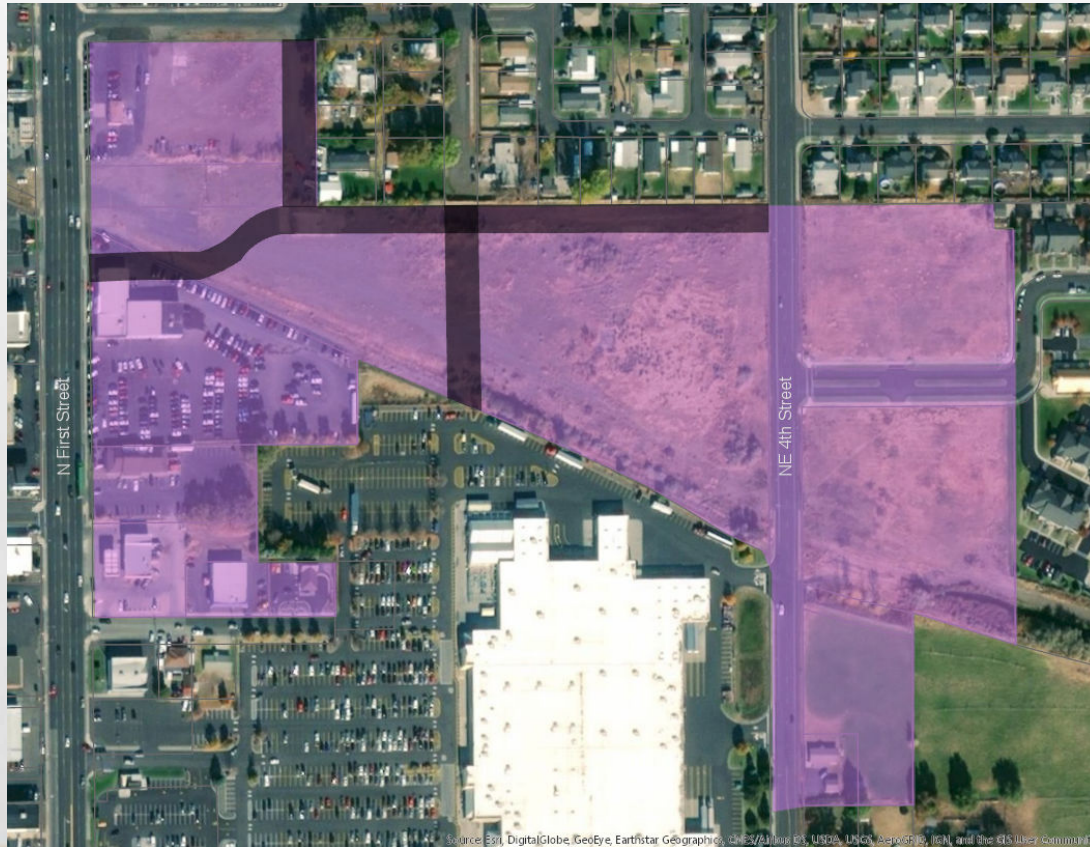
- Local Improvement District
  - Targeted improvement funded by properties directly benefitting from public improvement construction
  - No foregone tax revenue by any tax entity
  - Direct cost to property owners through assessments based on benefit calculations
  - Quicker construction time and shorter payback



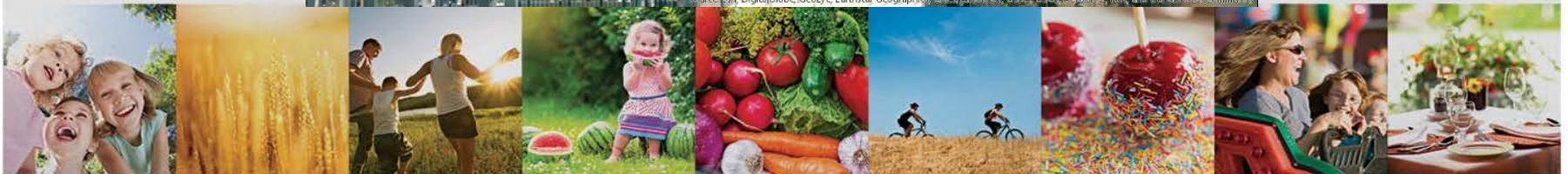




# Revised Urban Renewal Area



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, AeroGRID, IGN, and the GIS User Community







# Who Is Impacted?







# Who Is Impacted?





# What's Next?

- Seek direction from City Council
- Refine an urban renewal study for a new east/west street?







# What's Next?

- Consider a new east/west street as a local improvement district where the costs are allocated based on benefit?





# What's Next?

- Create improved access on the west side of 395 through a local improvement district?

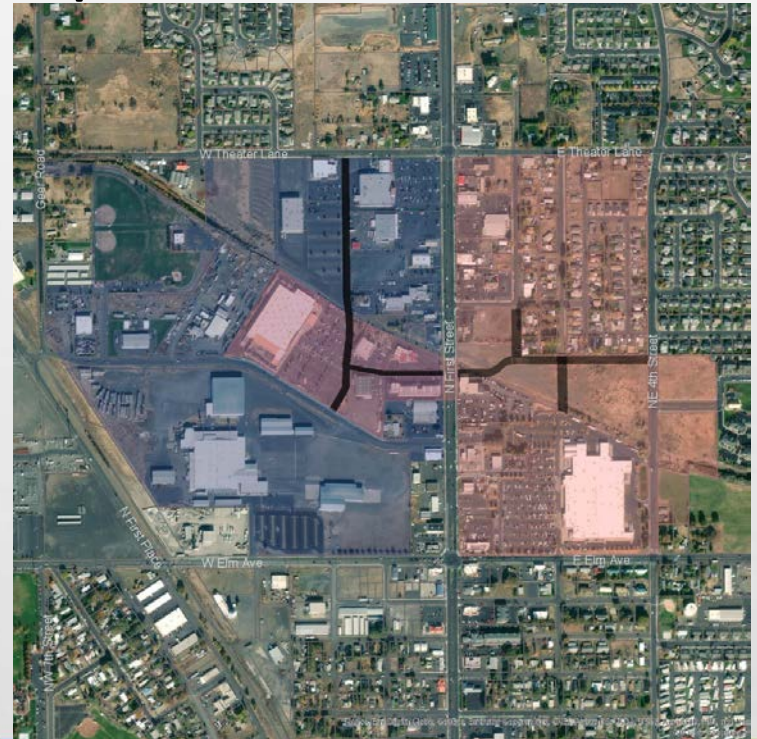






# What's Next?

- Create a hybrid of all concepts?
  - One urban renewal area?
  - One LID area





# Questions?

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